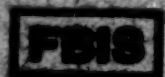


**JPRS 75242**

**4 March 1980**

# **Latin America Report**

**No. 2118**



**FOREIGN BROADCAST INFORMATION SERVICE**

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## INTER-AMERICAN AFFAIRS

### CUBAN ANNIVERSARY OF RELATIONS WITH CARIBBEAN NATIONS MARKED

Havana GRANMA in Spanish 14 Dec 79 p 3

[Text] Havana (AIN [National News Agency])--The seventh anniversary of the establishment of diplomatic relations between Guyana, Jamaica, Barbados, and Trinidad-Tobago with Cuba was celebrated at the headquarters of the ICAP [Cuban Institute for Friendship With Peoples].

Eusebio Leal, director of the City Museum, spoke in the name of the president of the ICAP and the institution.

Leal said that this is one of the most important events in the political and cultural history of the peoples of the Caribbean.

This decision of their governments, he said, in referring to the establishment of relations between these four peoples with the Cuban people, enables us to learn in greater depth the history of these nations, which is so intimately united with our own history.

Later he pointed out that these peoples, the Caribbeans, have shown us the various ways in which it is possible to fight for a more worthwhile life.

In speaking of the democratic processes of the Caribbean nations, Leal said that "the Caribbean is today bubbling over with hopes, and a place where a new world is being built."

The speaker referred to the presence at the ceremony of the heroic young combattants of Nicaragua who, with their prowess, have created a new image for this continent.

Winston Davis, the ambassador from Jamaica, spoke in the name of the four countries of the Caribbean, and termed the vital decision in which the four peoples of the Caribbean announced their decision to establish diplomatic relations with Cuba an "historic statement."

This decision, made 7 years ago in the four Caribbean capitals, was designed to correct the measures imposed on our peoples by the forces of oligarchy and imperialism, in an attempt to stop the progress of our peoples, he said.

Later he pointed out that this act, considered by many a courageous step, was an act of justice through which "our nations reasserted their intention to write their own history."

Present at the ceremony were: Jorge Gallardo, vice president of the ICAP, Cecil Pilgrim, the ambassador from Guyana to Cuba, Senator Frances Michel, who led a delegation from the island of Santa Lucia to Cuba, and Luis Morejon, director of the Latin American and Caribbean section of the ICAP.

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## INTER-AMERICAN AFFAIRS

### CARIBBEAN TRADE UNION CONFERENCE DEVELOPMENTS

#### Favorable Changes Seen

Havana JUVENTUD REBELDE in Spanish 17 Dec 79 p 1

[Article by Ivon Chiong]

[Text] The favorable political changes in the Caribbean since the first Trade Union Conference in this area, held in Georgetown, Guyana, in December 1977, were emphasized at the opening of this second meeting which will last until tomorrow at the CTC [Central Organization of Cuban Workers].

The central report, read by Basil Blair from the Trade Union Congress of Guyana, reflected the significant gains made by people's movements against the conservative governments in Granada, Santa Lucia, the Dominican Republic, and the Dutch Antilles, and the Netherlands.

The defeat of the Somozist tyranny supported by the United States is a fact of overwhelming importance to Latin America and the Caribbean; the triumph of the Nicaraguan revolution has great meaning for the entire continent in the shared struggle against the maneuvers and interference of imperialism.

The document also mentions the worldwide repercussions of the holding in Cuba of the sixth summit conference of Non-Aligned Nations, and the well-informed and profound remarks by the president of this movement, Fidel Castro, as well as his appearance at the 34th General Assembly of the United Nations, when the dramatic situation of the underdeveloped nations, and possible solutions for their problems were being discussed.

## **Changes Needed in Area**

**Havana GRANMA in Spanish 19 Dec 79 p 1**

**[Article by Evello Telleria]**

**[Text] Roberto Veiga, secretary general of the Central Organization of Cuban Workers, gave the conclusions of the second Trade Union Conference of Unity and Solidarity of the Caribbean, held in Havana, in which a Final Declaration was approved, stating the need "to fight for changes in the present economic, political, and social structures of the majority of the countries in the area" and the need "to construct a more just and more humane society in which the exploitation of man by man will cease."**

**Veiga said that "the majority of the trade union organizations of the Caribbean have come to meet here and among them, a large part of the most representative. Here we have met and, over and above our political, philosophical, or religious differences, we have reached unanimous agreement on those fundamental problems that affect the workers we represent."**

**He referred to the fact that top officials of the AFL-CIO in the United States and the so-called Institute for Free Labor Development had arrogantly "put pressure on the major union organizations of the Caribbean to prevent their attendance at this event," but "their maneuvers to try to sabotage this conference failed."**

**After mentioning the happiness that the presence at this meeting of 36 delegates from workers organizations of the Caribbean caused in the Cuban trade union movement, Veiga emphasized that the struggle for trade union unity takes on "vital importance in the strategy of the continental workers movement."**

**In another part of his speech, the secretary general of the CTC said: "With a strong sense of class unity, the participants in this conference agreed to provide militant support to the peoples who are fighting for the respect of their sovereignty and to gain their national independence, and to back the struggle fought by the workers of the Caribbean and Latin America on behalf of their rights and their most heartfelt aspirations."**

In analyzing the agreement condemning the determination of North American imperialism to increase its military strength in the region, he said: "The conference revealed the unshakeable conviction of the Caribbean workers that this military presence will never intimidate us."

He praised the attitude of the conference in also condemning the unjust and immoral economic embargo imposed on Cuba by the United States government, and in expressing its rejection of the occupation of the Guantanamo naval base, which is maintained against the express will of the Cuban people.

#### **Final Declaration Issued**

Havana TRABAJADORES in Spanish 20 Dec 79 p 4

[Statement released by the second Caribbean Trade Union Conference in Havana]

[Text] After 3 days of wide ranging discussions, during which the greatest spirit of democracy and solidarity reigned, the second Caribbean Trade Union Conference came to an end. It had met on 16, 17, and 18 December 1979, at the headquarters of the CTC. Participating were 36 delegates from 28 organizations coming from 15 countries of the Caribbean.

After making an exhaustive analysis of the social, political, and economic problems that are oppressing the working class of their respective nations, the Caribbean trade union representatives confirmed that at present the problems of dependency on imperialism and underdevelopment are still acute in the great majority of the Latin American and Caribbean nations.

We Caribbean trade union leaders observe with just indignation that it is due to the imperialist policy of dumping onto the shoulders of the workers, particularly those in the less developed countries, the harmful consequences of the economic crisis shaking the capitalist world, that the economic growth of Latin America and the Caribbean is diminishing, the trade deficit is increasing, inflation is seriously hurting people, there are not enough jobs, and consequently the army of the unemployed and underemployed is growing, that the foreign debt is getting larger, and poverty is reaching epidemic proportions.



The Caribbean leaders expressed their alarm about the growing numbers of unemployed in our continent, which now amount to 110 million people who live in conditions of extreme poverty, without basic resources such as food, clothing, and the essential services needed for their survival.

The conference spoke out against the existing international economic system which, through the unequal exchange of expensive capitalist manufactured goods for cheap raw materials from our continent, is increasing the imperialist exploitation of our countries; at the same time it condemned the black-mailing and plundering policy of the International Monetary Fund and capitalist credit organizations to which, due to the above mentioned situation, our countries are forced to turn, accepting the costly and unjust terms imposed on them by these lending institutions, which worsen their foreign debt and endanger their economies, political independence, and potential for development.

The conference spoke out in support of the struggle for a new international economic order, as was approved at the Sixth Summit Conference of the Non-Aligned Nations held in Havana in 1979.

We support the proposals made at the 34th Assembly of the United Nations by the president of the Non-Aligned Movement, our comrade Fidel Castro, concerning the ways and possibilities available for development.

Therefore, the participants agreed:

For all these reasons, what must be done to handle the problems confronting the region can be nothing other than: the need to fight for change in the present economic, political, and social structures in the majority of the nations of the area; all mechanisms and natural resources must be placed in the hands of the workers of our peoples in order to construct a more just and more humane society, one in which the exploitation of man by man will cease."

At the same time we denounce the actions of the multinational firms which take away our natural resources and raw materials and support attacks on our union freedoms, promote unemployment, repression, and the exploitation of our workers. This is proved by the fact that the salary of a Latin American or Caribbean worker is equivalent to 10 percent of what a North American worker with identical training receives. This ensures the conditions for highly profitable and exploitative investments.

The participants observed in various nations of the region flagrant violations of agreements 87 and 98 of the ILO [International Labor Organization] on "union freedom and the protection of union rights" and "on the right to organize and the right to collective bargaining," respectively.

It was found that in some countries of the region workers are denied the right to strike as a legitimate weapon for the defense of their demands. To justify this arbitrary attitude, the strike is alleged to be "political." This ignores the rights of the workers in such cases and justifies the use of armed institutions to repress union movements and to break strikes.

In this context, we express our rejection of the regimes of Haiti and Antigua. The first provides the most eloquent example of a reactionary and inhumane policy in our region, where the huge army of the unemployed is on the increase, reaching the staggering figure of 60 percent of the population, and where the most cruel repression is enforced through persecution, torture, and the assassination of all those who do not bow down in docility before the authoritarian regime.

In carefully analyzing the panorama of the Caribbean and, more generally, of the entire Latin American continent, the union leaders participating in this conference condemn:

- a. The increase in the military budget of the United States this year, since it has spiralled, and the U.S. Senate has approved the figure of \$141 billion for military spending and arms. This is a threat to the developing countries, as is shown in our region.
- b. The military activities of North American imperialism in the Caribbean region have increased to an unprecedented degree, and France is playing an important role in these activities.
- c. The U.S. troops in the French colonies of Martinique, Guadeloupe, and Cayenne have been doubled, and have also been placed on a 24-hour a day alert status; this began when governments in the Caribbean changed, becoming definitely anti-imperialist in nature.

This military threat by the United States in the Caribbean impedes a spirit of detente and the achievement of the just and lasting peace to which the workers in the area and all over the world aspire. These forces constitute a permanent

threat of intimidation, since the presence of U.S. ships in the Caribbean and the creation of new military bases in the area are a permanent source of tension, and they infringe upon the sovereignty of our peoples.

In the course of the discussions, it was clearly defined that in the context of this struggle in which the workers of the continent are engaged, no trade union organization, no matter how large it may be, can act alone against the voracity of the multinationals, against imperialism and the forces of reaction. Since most of us are victims of the economic crisis, of unemployment, of the high cost of living, of inadequate wages, lack of housing, health care, and access to education and culture. Therefore we all agree that only joint action and the unity of the workers can permit us to achieve our immediate economic goals in the present state of international economic relations, and we agreed on the role the workers should play in the new economic order. The workers should not be given an economic-oriented education, but a class education, a mass education, in order to achieve the supreme goals of the working class. And we agreed to fight together along with the workers with progressive organizations and forces that are also opposing exploitation and oppression.

In this context we salute with joy the revolutionary effervescence that is bubbling up in the Caribbean and in Latin America, so worthily exemplified by the revolutionary process of Granada in which the workers expelled from power the regressive and despotic government of Eric Gairy, and today lead the country on a solid basis of dignity and independence.

In Latin America the highest expression of the spirit of struggle of a people was offered by the resounding victory of the people of Nicaragua, who, after 40 years of uninterrupted struggle, led by the vanguard, the Sandinist National Liberation Front in the forefront, expelled from its territory the dynastic disaster that was a curse on the nation; at the cost of many courageous lives, they won the right to construct a more just society.

The Second Caribbean Trade Union Conference calls on everyone to mobilize in support of the reconstruction of the devastated nation of Nicaragua in order to make it a beautiful bastion of internationalist solidarity.

After making a full analysis and reaching agreement on these points, the Caribbean trade union leaders meeting in this



historic conference, recognized the need for a coordinated plan of action in order to oppose the unjust system in which most of our countries are found, with its ill effects of illiteracy, lack of jobs, lack of union and social rights, poor health care, lack of guarantees to unionize labor, the threat of layoffs, etc., and reached the following agreements.

#### Agreements

1. That the fundamental duty of the workers and their union organizations is to guarantee unity and provide unity of action in the concrete struggle waged for the unlimited defense of the interests of the workers.
2. We must fight for the right to unionize all workers, the right to collective bargaining, and the right to use strikes to demand and defend their interests.
3. That in the various countries a code of conduct should be approved to prevent the breaking off of united union actions on points of common interest.
4. The unity of union organizations in businesses operating on an international level is essential, and this may be achieved by workers and union organizations from different countries and regions, who can rise above any differences, on the basis of the fundamental interests of the workers.
5. The participants in the conference consider the united organization of the workers essential in order to stimulate the struggle for their rights and economic, political, and social demands, against imperialist exploitation, hunger, poverty, and for the nationalization and defense of sources of jobs threatened by the international economic and energy crisis, against repressive and antiworker government policies.
6. Studies and informative programs on the actions of the multinational firms in the various countries should be made and exchanged so that with this basis, actions of cooperation and solidarity with the workers in each subsidiary of the same enterprise in different countries can be organized.
7. To work for the necessary and urgent training of our union cadres; this is the only way to obtain significant social gains in our mutual struggle. One such way is provided by the school for union cadres in Cuba, where a number of Caribbean cadres have already been trained, as well as dozens of Latin American leaders.

8. To disseminate information on the achievements of each union organization or federation, in order to stimulate the activities of the rest, thus making use of positive experiences and applying them as suitable in each country.

9. To require from governments laws to freeze prices of essential goods.

10. We must fight for the recognition of unions in business, both in the public and the private sectors.

11. We must demand of governments that they respect the ILO agreements, especially agreements 87 and 98 on union freedom and the protection of union rights, and the right to organize and to collective bargaining, and to fight against antiworker legislation.

12. We feel it is urgent to organize a complete study of the situation and struggle of the workers and unions of the Caribbean and Latin America, as they are affected by the harmful actions of the multinationals and therefore, we recommend that there be established a system for the full exchange of information, based in the coordinating committee, which will be responsible for sending the results to the union organizations.

13. We have to draw up a report detailing and condemning the discrimination against and exploitation of migrant workers; we must take action to aid their organization and to express our solidarity with them.

14. In order to achieve the objectives that we propose, we consider it appropriate to make two trips throughout the nations of the area.

15. The Unity and Solidarity Coordinating Committee, with headquarters in Guyana, will be the means suitable for coordinating actions as described in this document, and will include representatives from most of the unions present at this conference.

16. The next meeting of the Coordinating Committee should analyze compliance with these agreements and develop the methods necessary for the successful completion of our work.

17. The Coordinating Committee should meet in Granada, thus helping the work and the people of that country, who are now engaged in strengthening and developing their revolution.

18. We consider it appropriate to recognize here that in Cuba, the nation where this second meeting is being held, the new society that is being constructed fully guarantees all democratic, economic, social, and union rights of all the workers; therefore, it may serve as an example for the other countries of the region.

Drawn up in the City of Havana on the 18th day of December 1979.

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## INTER-AMERICAN AFFAIRS

### FRIENDLY CONTACTS WITH SANTA LUCIA DELEGATION ANNOUNCED

Havana GRANMA in Spanish 13 Dec 79 p 3

[Text] Havana (AIN [National News Agency])--A delegation from the Caribbean island of Santa Lucia, led by Senator Frances Michel, president of the Farmers and Farmworkers Union, was received by Rene Rodriguez, president of the ICAP [Cuban Institute for Friendship With Peoples].

Also taking part in this meeting, held at the ICAP headquarters, were the other members of the delegation: Pat Lubon, an official of the National Corporation for Development, Antonio Gibson, head of the Housing Development Department, and Christiane Dussiel, an official of the ministry of education.

Leonard Leonce, an official of the ministry of agriculture, and Matthew Roberts, a journalist from the biweekly, THE VOICE, were also present.

Attending the meeting on behalf of Cuba were: Gaston Diaz, from the department of the Americas of the Central Committee, and Luis Morejon, director of the American and Caribbean section of the ICAP.

The visitors were informed of the work and objectives of the creation of the ICAP, upon the triumph of the Cuban Revolution. Its essential functions are the development and fostering of ties of friendship and solidarity between Cuba and the other peoples of the world.

Later Rene Rodriguez invited Senator Frances Michel and her party to take part in the celebration of the seventh anniversary of the restoration of relations between Cuba and Jamaica, Guyana, Barbados, and Trinidad-Tobago.

Santa Lucia, which became independent from Great Britain last February and established diplomatic relations with Cuba in November, is part of the Lesser Antilles; its land area covers 616 km; it has over 100,000 inhabitants, and its capital is Castries.



BRIEFS

URUGUAYAN CHEESE TO BRAZIL--A new chance for exporting cheese to Brazil will materialize in the next few days, according to what the president of CONAPROLE [National Milk Producers Cooperative] told EL PAIS. A big shipment of cheese is to be exported to Brazilian markets due to the expiration of the protection clause included by Brazil in the Latin-American Free Trade Association treaty. This states that dairy products may not be imported until 16 January of this year and, now that the term has expired, seven bids have already been submitted to CONAPROLE, which is why we deduce an imminent reopening of negotiations between CONAPROLE and Brazil. Asked about the matter by EL PAIS, CONAPROLE president Antonio Mallarino said: "The exporting of butter and cheese is a practically habitual activity for this cooperative. Of course, for some time now we have been exporting butter to Argentina at a constant rate and exports to Brazil have been suspended due to the protection clause. At the present time we have received seven bids since exporters to Brazil like ourselves are waiting for a decision from the government of that country on the import quotas that will be authorized." [Excerpt] [Montevideo EL PAIS in Spanish 22 Jan 80 p 5] 11466

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**POLITICAL LEADERS ADDRESS NATIONAL ISSUES**

**CUTA Head: Peronists United**

Buenos Aires LA PRENSA in Spanish 6 Feb 80 p 8

[Text] Mar del Plata, Buenos Aires (NA)—The head of the plastic workers union and of CUTA (Unified Leadership of Argentine Workers), Alberto Jorge Triacca, declared that, at the present time, "ordering the workers to destroy order would mean that the critics would be gratified;" and expressed the view that "it is the leader's duty to wear himself out, if necessary, but to put forth action when it shows signs of possible success."

In comments made to the newspaper LA CAPITAL in this city, Triacca also refuted statements made by the former commander-in-chief of the Army, Lt Gen (ret) Roberto Viola, to the effect that Peronism could not be united in view of its "tendency toward disunity."

Triacca said: "It would be very difficult for me to talk about the Army, because I have never been in it, but I do know Peronism, and I am sure that, when it is called upon, it will be lined up as it always has been:" because (he added) Peronism will not be divided, "whether they persecute it or not."

During the interview, Triacca discussed virtually all the current trade union issues, for example condemning the increase in wages based on pay-rolls, describing it as "the most unfair affront and the biggest slap in the face that the working class has received."

**'Great Maturity'**

In response to a question about alleged dissidence within the CUTA, the trade unionist claimed: "Since the advent of the CUTA, all the initials known up until that time have been dissolved, and the leaders, with great maturity, have erased everything that was dividing us, in view of the imminence of a law on professional associations which would pulverize and scatter the labor movement."

He added: "Obviously, there are always some who are not satisfied, and who think that they might know far more than others; and then they retrieve from their files old initials and old position papers, so as to put them on the agenda and make them an alternative."

#### Corpses and Initials

He was emphatic in stating: "There are no problems in the CUTA, only a few rumors; and I think that the future action that is being planned will make it entirely clear that we cannot take corpses from the cemetery again, nor dust off initials which could divide the labor movement even more, in view of the sword of Damocles which the new law on professional associations represents."

He explained that, although it was true that, in a recent statement, "we in the CUTA said that all of us workers and delegates should petition and demand a minimum wage of 600,000 pesos, that does not mean, as certain news media attempted to interpret it, that this is the amount needed by the worker, but rather that no one could earn less than that amount."

He added: "It is on the basis of this that recognition is given for ability, order of precedence and all the conventional clauses governing each activity."

#### The Labor Agreements

Elsewhere in the interview, Triacca said that he thought that, "sometime, an official will show up and say when the 50 percent of the real wage that the people have lost since 1976 will be returned to them; and I do think that, in the more highly developed countries, the collective labor contract is the ideal instrument for regulating wages and prices. Why are they bent on not having them work in this country?"

He declared that the collective labor agreement, "when well used, as the law stipulates, and not as a vehicle for massive increases, is the best and most accurate tool for setting the wages for each activity."

Upon being persistently asked about certain criticism made by regional entities in Greater Buenos Aires, the CUTA leader replied that they were experiencing "a critical period wherein the exhaustion of the leaders is one of the contributions to be made; because it is far more difficult than telling others what to do. That is easy. At the present time, to raise a voice of protest, and to order the workers to destroy order, would mean that the critics would be gratified."

He added: "But this is the most difficult position, and the one that we must always maintain. Because there are many risks to be run, and it is the leader's duty to wear himself out, if necessary, but to put forth action when it shows signs of possible success."

In response to a question about the legalization of a plebiscite, Triacca answered: "Speaking for my union and for others, I can say that this has been a definite success. But a plebiscite (or a petition, to avoid succumbing to legal subtlety) was already held in 1977, when Decree 385 was issued, requiring the reaffiliation of all workers. That is why I think that the difference now would be more overwhelming: the failure of the social and economic policy implemented by the government is obvious."

He added: "The workers are aware of this, and hence they know that, by upholding their union structures and trying to have their best leaders join them, they will be able to emerge from this pit which is stifling and irritating, and which has subjected them to the vicissitudes of a policy wherein the people have no active share."

#### Army and Peronism

When he was reminded of some recent statements made by the former commander-in-chief of the Army, Lt Gen (ret) Roberto Eduardo Viola, to the effect that it was impossible for Peronism to become united, in view of its "tendency toward disunity," Triacca replied: "Of course, it would be very difficult for me to talk about the Army, because I have never been in it, but I do know Peronism, and I am sure that, when it is called upon, it will be lined up as it always has been during its existence, and with far more reason now."

He observed: "I think that we leaders could become divided, taking a different path every day, and attaching a label or an emblem to ourselves. But nothing and no one is going to divide Peronism, whether they persecute it or not."

#### Industries Penalized

On the subject of the closing of certain textile industries in Greater Buenos Aires, the union head said: "There are industries which have been heavily penalized by the entry of finished products, but this entire process, which has been under way since last year, and which CUTA accurately denounced at the time, is now bringing its consequences."

He added: "Everything has been prepared. The vacations have been lengthened excessively, basic compensatory wages can be arranged, as in the case of factories which have closed for 2 months and have paid their personnel for 15 days, or half pay for that period; but based on the wages set on the payrolls; in other words, the loss of wages virtually amounts to 80 percent."

#### The Payrolls

"They have been the most unfair affront and the biggest slap in the face that the working class has received," he remarked, referring to the payrolls;



pointing out: "For example, in my union, that of the plastic workers, which is a little better than that of the comrades in commerce, right now, the first grade in the contract exceeds the minimum that has been set."

Triacca emphasized: "This does not make sense; it is an insult to the workers. And I think that, in the case of the commercial workers the issue is particularly significant, because their leaders have shown an intensive proclivity for dialog and for finding someone who will listen to them."

#### **Procedure**

In his comments on the union of commercial employees, he went on to say: "They have set up a type of procedure, but if they continue devising measures for formal demands (and within the guidelines that the authorities have set), they will be doing harm to an organization as important and prestigious as that of the commercial entity, which is given a response with these payrolls. It seems to me that this is an insult and a ridiculous affront, which no government has a right to do."

#### **UCR Seeks Political Participation**

Buenos Aires LA PRENSA in Spanish 6 Feb 80 p 8

[Text] San Luis--A tribute was held in this town to the memory of Dr Nicolas Andres Di Genaro, on the occasion of his 85th birthday. The late political leader was a militant in the Radical Civic Union [UCR], in which he served as president at several times, in addition to having represented it as a gubernatorial candidate twice, and in serving as national deputy from 1941 to 1943.

The tribute was led by the president of the Radical Civic Union, Dr Ricardo Balbin, who was invited especially for this event. At the San Jose cemetery, in front of the politician's tomb, a commemorative plaque was unveiled, and speeches in honor of the late lamented politician were delivered.

When the tribute ended, Dr Balbin received newsmen, and answered the questions that were put to him. On that occasion, he said that, when civilian-military convergence is discussed, people do not exactly understand what is meant; and, insofar as the institutionalization of the Armed Forces set forth in the political bases is concerned, he said that he considered it something resolved in the Constitution of 1853, with the incorporation of the specific ministries participating in the state's government. In response to a question related to the renovation and strengthening of the democracy, he claimed: "Democracy is a single, permanent thing, and it can only be corrected and perfected in the exercise of democracy itself."

## **We Are Not Requesting Dates**

Elsewhere in his dialog with newsmen, he expatiated upon his remarks concerning political party organization and, with reference to UCR, he declared: "We have requested the initiation of a new task. We are not requesting nor demanding dates. For over 2 years we have been calling for the organization and normalization of political activity."

Upon being asked about the possibilities, and the situation that would give rise to the political parties' intervention, and the declaration that they are in a state of assembly, he replied categorically: "Neither one nor the other; moreover, the state of assembly is a hypocritical cloak for the dissolution of the parties."

He then discussed other notions, explaining that both terms relating to the status of the political parties are as confusing as those associated with civilian-military convergence, which no one understands. With regard to the UCR's position in the country's future activity, he was asked whether, in his capacity as president of that organization, he shared the views expressed by the so-called Alendista movement for the recovery and moral guidance of the UCR, in its claim that the freezing of the mandates of political party officials has proven inoperative and detrimental to the progress of political party activity. Dr Balbin replied to the reporter: "Insofar as the movement that you have mentioned is concerned, it is nothing, it is a small label; and if you had taken the trouble to find out who those representing it are, you would not have asked me the question."

He then expanded on his answer, and described the UCR's true position, to the effect that it has steadfastly toiled on behalf of the removal of obstacles to the activity of the political institutions, so that a natural, reasonable renewal of individuals and authorities might finally occur.

## **Videla, Advisers Discuss Dialog**

Buenos Aires LA PRENSA in Spanish 6 Feb 80 p 3

[Text] During a lengthy meeting held yesterday afternoon at the Government House, the president of the nation, Lt Gen (ret) Jorge R. Videla, analyzed matters relating to the formalization and implementation of the political bases of the Armed Forces for the process of national reorganization.

General Videla met for this purpose with the minister of interior, Div Gen Alvaro Eduardo Harguindeguy, and the general secretaries of the presidency and of public information, Brig Gen Eduardo Crespi and Brig Gen Antonio Llamas, respectively, as well as the president's political secretary, Dr Francisco Moyano.

As has been reported, this work involves the initiation of talks with the country's civilian sectors, with the understanding that citizens who are members of political parties will attend personally, as will representatives from other areas of national activity.

Although it has been announced through repeated official statements that this period of "dialog" will necessarily begin, nevertheless, it has proven impossible to ascertain the criterion that will be used in selecting those to be invited, and whether that task comes within the exclusive jurisdiction of the Ministry of Interior, or whether the opinion of the president's political adviser, Dr Moyano, will also have an influence.

The group of civilians collaborating with the minister of interior, General Harguindeguy, is performing its work in that department's offices, located at 711 Moreno Street, two blocks from the Government House, where Harguindeguy's political office was moved in the middle of last year; and, according to estimates that have been obtained, the meetings may begin on those premises.

As for the president's political adviser, he has his office near the one used by General Videla.

Yesterday, the minister of interior attended the meeting with his advisers; and the general secretary of the presidency also attended, with advisers from that entity.

#### Peronist Criticism, Self-Criticism Cited

Buenos Aires LA PRENSA in Spanish 5 Feb 80 Sec 2 p 4

[Text] Yesterday, the former Peronist national deputy, Luis Sobrino Aranda, admitted that the self-criticism that is being made in the internal sector which he heads even includes the creator of the Peronist movement, Gen Juan Domingo Peron.

The former legislator called a press conference to introduce the members of the board of directors for the federal capital of the Study Center for a Social Democracy, a Peronist entity which he directs and which publishes the magazine CONVERGENCIA.

He scored other Peronist leaders, such as Deolindo Bittel, and said that he could not tell how many parts that political sector would be divided into in the future.

Among other comments, he acknowledged his friendship with the former commander-in-chief of the Army, Lt Gen (ret) Roberto Eduardo Viola, and with the former commander-in-chief of the Navy, Adm (ret) Emilio Eduardo Massera.

Insofar as the present international situation is concerned, he criticized Argentina's position in not agreeing to the grain embargo proposed by the United States, "because of the future repercussions that it will entail."

With regard to the self-criticism, and the intentions for unification which appear to guide his movement, he was asked the reason for a picture of Eva Peron and Juan D. Peron appearing on the cover of the magazine CONVERGENCIA; to which he replied: "It was for tactical reasons."

2909

CSO: 3010



**SCHONFELD SAYS CARTER'S DOCTRINE MUST BE VIGOROUS**

Buenos Aires LA PUEBLA in Spanish 16 Jan 80 p 7

[Article by Manfred Schonfeld]

[Text] When in 1973 the hubbub over the so-called "Yom Kippur War" had died down and the situation it left in its wake began to become clear, there was no lack of commentators in the chief news centers of the West who, with a certain amount of equanimity, maintained that "it was after all nothing more than a pretext to drastically raise the price of crude oil."

While such a claim amounted to what is commonly designated as "laying it on with a heavy hand," — because it is obvious that in any confrontation of any importance, hostile or not, other, of necessity more subtle, factors are involved — the passage of time has at least to a certain extent confirmed the truth of the claim. In fact, followed by the general confrontation between "north" and "south" (like a readjustment and at the same time a distortion of the habitual "east-west" dualism that had until then prevailed), the oil and energy crisis, all this began with the Arab-Israeli war just referred to. This was not the cause of the situation, but it was a triggering factor. For, to a certain extent the suspicion remained that this was a reversal of the concepts of cause and effect, that is, that among the reasons behind that war could have been — perhaps, also, preponderantly so — the pressing need of a group of powerful oil nations to raise the price of the crude they exported.

**Oil and the Struggle for It**

Oil has been the cause of various armed confrontations but in reality its significance acquires much greater importance than it bestows. In the past — not very far back because the oil era is, broadly speaking, no older than the present century — proposals full of unknowns have been involved.

Concessions were fought for, the government that granted them under the most advantageous conditions was favored and any other government that did not grant them or whose terms were less satisfactory from the standpoint of the concessionaire was antagonized.

All this belongs to the past. The truth is that the technology born of human ingenuity is always capable of presenting us with some unexpected surprise (who, for example, would have suspected the presence of hydrocarbons in liquid or gas form on the ocean bed or underwater continental shelves and who could have imagined that under certain circumstances exploration and exploitation of these sources could cease to be uneconomical, therefore becoming "feasible"?). Yet, the "disposable" reserves are known and there also exists the conviction that they can last no longer than a few decades more throughout the world, at least at the current rate of consumption and according to the projection for the future which permits us to gauge this rate.

Despite awareness of the urgent need for creating alternative sources of energy — and despite the fact that science and technology are capable of finding them — this will involve a historically brief lapse of time (20 or 30, or even 50 years is a very short time, historically speaking), but one that may be decisive for the future of the human race: the period that will approximately intervene between the gradual decline of fuels of fossil origin and the full development of other sources of energy.

So, what is at stake is gaining possession of the biggest existing reserves and control of the supply lines running from the sites of these reserves to the chief centers of consumption, not only now — when the issue is taking a critical turn — but for many years now, especially since the beginning of the 1970's.

#### What Areas Are Involved?

The two main areas known to contain reserves are those of each of the gulfs and their adjacent lands and waters: the Gulf of Mexico, joined to the Caribbean Sea, and the Persian Gulf, linked with the Middle East oil basin. In the first of these, the big oil countries are Venezuela, with a large current export capacity, and Mexico, with vast reserves only very recently disclosed. Although this is a region which geopolitically belongs to what we could call the "American sphere of influence," we should in no way assume that it is impermeable to Soviet Communist penetration.

The "Monroe Doctrine" has been refuted on this continent through the mere acceptance of a mercenary regime like Castro's, daily subsidized by Moscow. The fact that several nations of this continent — among others, also ours — belong to the undefinable group of "nonaligned countries," presided over by Castro Cuba, underlines even more so this virtual legitimization of the existence of a Soviet colony on American soil.

Moreover, the penetration in question has not only materialized in the case of Cuba, but also in that of a number of leftist regimes that are rapidly proliferating in the Caribbean and in Central America, in many cases the products of old political, economic and social stagnations out of the past and of mistakes in leadership on the part of the ruling superpower of the region, all of which explains their rise to power but does not make them

any the less dangerous nor less disposed to become allies of Moscow. (In the United Nations vote on the Soviet invasion of Afghanistan — that is, on a typical "Third World" issue — the attitudes were revealing: Cuba opposed the resolution demanding immediate withdrawal by the invaders, Nicaragua abstained, ...)

#### Persian Gulf

But in any event, the oil basin comprising the Caribbean and the Gulf of Mexico can be directly controlled by the United States, despite such attempts at infiltration.

On the other hand, the other, the Persian Gulf, with its surrounding foothills, includes several superpowers involved in the business of exporting hydrocarbons: Saudi Arabia, Iran, Iraq, Kuwait and the United Arab Emirates, and from it tankers traverse the Indian Ocean to the North Atlantic, on the one hand, and to the Far East, on the other. This is, indeed, the immediate objective of the contest, in addition to the no less essential control over the above-mentioned sea lanes.

With an annual production of about a billion tons and with proven reserves on the order of 50 billion tons of liquid hydrocarbons, in this region — far from the United States, Western Europe and Japan and geographically close to the Soviet Union — we find the why and the wherefore of the evolution of Middle Eastern affairs over the last 15 years and even going back a bit more into the past. In fact, there is more in it than a key to the Arab-Israeli war, encouraged by the Soviets in 1973, as we have already noted. As for the current crisis — this complicated situation composed of two very nearly simultaneous, critical situations, the Iranian, on the one hand, and the Afghan, on the other — it is absolutely clear that behind it is concealed (we cannot even say that the concealment is overly shamefaced) Soviet eagerness to gain possession of the entire oil basin and, at the same time, access to Indian Ocean waters, so eagerly desired for years now.

#### Lack of a Policy

For political and strategic purposes, Iran and Afghanistan constitute a single unit. While the United States could only establish a foothold in one half of this civic body, the Iranian half, through the existence of a regime which was benevolently neutral to it, such as that of the shah, and whose lack of internal stability it was incapable of evaluating or counteracting, the Soviets began to introduce themselves into Afghanistan throughout most of the 1970's with growing firmness. They ended up by creating puppet communist regimes there and finally invaded the country, annexing it in the best and most unconcerned Nazi style of the late 1930's.

Meanwhile, the Americans, incapable, as we have just noted, of evaluating the internal weaknesses of the shah's regime, which governed the pro-Western half of the above-mentioned geopolitical unit, were also incapable of

retaining it as a friend or of guaranteeing the country a period of transition instead of letting it slide into a reign of anarchy and ranting fanaticism.

At the present time, President Carter is drafting a policy for the defense of Western oil interests in the Persian Gulf region. It is presumed that this will be made public at the beginning of the last week of this month. Let us remember that, as early as 1973 during the energy crisis spawned by the Middle East war, we maintained the need for the United States' formulating just such a policy. And now Soviet troops are stationed on the Afghan-Iranian border, but a step away from the oil deposits.

This means that for Moscow, Afghanistan was nothing more than a move in a much bolder game, a stepping stone to the oil and to the Arabian Sea and the Indian Ocean. When the United States decides to adopt the elementary measures it must to defend itself--when it finally decides to resort to force to protect its energy sources and those of the West in general, as it probably must do--the Soviets will be there before the Americans, waiting for them. In fact, they already have possession of half the region immediately involved and any negotiating will be done from this position of strength.

The "Carter Doctrine" that has been announced has come too late and is a rather tired formula, for which, moreover, he is not exclusively to blame, since there should have been a "Nixon Doctrine" or a "Ford Doctrine."

The only thing we can hope for is that the vigor and precision of his statement will amply compensate for the delay in issuing it.

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**LLERENA AMADEO DEFENDS EDUCATIONAL REFORMS**

Buenos Aires LA PRENSA in Spanish 6 Feb 80 p 8

[Text] Corrientes--Yesterday, the new rector of the National University of the Northeast, Prof Hector Enrique Tamburini, assumed office. The ceremony was headed by the minister of culture and education of the nation, Dr Juan Rafael Llerena Amadeo, who was accompanied by the governor, Div Gen (ret) Luis Carlos Gomez Centurion, and representatives from the governments of Chaco and Formosa.

After the playing of the national anthem and the signing of the certificate of assumption of office by the rector, Dr Llerena Amadeo spoke. After stating that the national universities are the nation's patrimony and not the property of a town, city, province or region, he declared: "When they are a patrimony of the nation, they are also a reality of the nation. A university is not invented; it is founded. It does not come into existence through a mere legal ruling. It is established on the foundations of a soil that has been previously cultivated by intensive academic activity, the results of which a law subsequently outlines and projects with its own individuality."

The minister later claimed: "The country of the future (of the future which is approaching us) requires of Argentines a greatness in plans and accomplishments, as well as imagination accompanied by responsibility.

"There are some who have thought that they observed pessimism concerning the nation's future in the formalization of the university policy that we have implemented. Nothing could be further from the truth, and if we are observed carefully, we believe in the future and in the greatness of the nation when we merge two schools to reinforce them, or when we attend to the students academically, to lend their training greater intensity.

"Especially when, in absolutely no instance (and I repeat this so that there will be no misunderstanding), in absolutely no instance, have we denied anyone any course that he might have taken. In other words, no one has been harmed by the measures that have been adopted. Someone might claim that he had such and such a promise for the future; and we would

tell him that it is better to make corrections on time, because promises could be deceptive, since what was promised might prove impossible to achieve."

He added: "The country of the future will be great if we make it so with effort and integrity; if we are sincere toward it, and toward ourselves.

"The country of the future will be great if we maintain the exact courses of action that have been demarcated, if we stop administering so as to govern, to project, to organize the beneficial coexistence which the world is calling for and needs. The country of the future will be great if we set aside personal or local pettiness, and take pride in the joint endeavor that will empower and project the nation and its children. The country of the future will be great if each one of its children is capable of making a sincere proposal and undergoing a change of mentality which will simply be reflected in the choice of things that are well done, as opposed to temptations for easy solutions."

He then remarked: "There is no great country without a great university. There can be no serious university activity without an efficient educational structure. There can be no educational structure without the formation and consolidation of faculties which make their status as such a constant source of pride, and their activity a constant effort for excellence. To acquire them, we are working on a university law which will enable us to hold competitions and thus give the university chairs to the instructors who excel and win them."

Dr Llerena Amadeo said: "Only by so doing shall we achieve the kind of university that we Argentines need and want, something which cannot be attained by the mere decision to purchase or build, but which is founded upon knowledge, and the desire to teach and to learn."

In conclusion, he added: "With those goals, and in a context of complete individual liberty, the national reorganization process is seeking its goals for the university, which still remain to be attained in their entirety."

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CSO: 3010

**LUJAN UNIVERSITY PROPOSAL GOES TO CAL**

Buenos Aires LA NACION in Spanish 1 Feb 80 p 8

[Text] It has been learned that the bill dissolving the National University of Lujan is before the Legislative Advisory Commission (CAL).

The bill calls for the repeal of Law 20,031, which created that educational institution in 1972, while at the same time determining the fate of the faculties, non-faculty members and students.

It also stipulates that the fields of agricultural-livestock education and the course in food technology engineering are to be continued at the University of Buenos Aires.

In the case of the faculties, it states that they will have the stability which has been guaranteed them by the legislation currently in force; and, as for the non-faculty members, it indicates that they will be incorporated into areas of the University of Buenos Aires, or of the Ministry of Culture and Education of the Nation.

**Ventura's Statements**

The undersecretary of university affairs, Dr Eduardo Pedro Ventura, in statements made to the agency TELAM, remarked that the maintenance of the University of Lujan was not justified.

He commented: "This situation is entirely within the context of the policy directive issued to the Ministry of Culture and Education by the Military Junta, through Law 21,276, on procedures for university organization and reorganization." He explained: "At a distance of 120 kilometers from Lujan we have the Universities of Buenos Aires, La Plata and Lomas de Zamora, as well as the regional universities of Buenos Aires, La Plata, Avellaneda, Haedo, Pacheco, San Nicolas and Delta, of the National Technological University, in addition to no fewer than 10 private universities."

Elsewhere in the interview, the official stated: "Lujan will not have less educational activity, but rather more; and an educational center is not being destroyed. Rather, we want to make use of all that has been done well to improve and rebuild regional academic activity."

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CSO: 3010

BRIEFS

**PRIME RATE INCREASE**—The clearing banks in the Bahamas, in consultation with the Central Bank of the Bahamas, have announced that the Bahamian prime rate has been increased by 2 percent to 11 percent per annum. Concurrently, the rate of interest paid on Bahamian dollar savings accounts has been increased by 2 percent to 6 percent per annum. The Central Bank has also raised its discount rate, that is, the rate at which the Central Bank lends to the commercial banks in its capacity as lender at last resort. The Central Bank's discount rate is now 11 percent per annum. A spokesman for the Central Bank said the increase in interest rates is intended to stimulate the growth of domestic savings and it reflects considerable upward pressure which has affected interest rates internationally for some time now. In raising the level of interest rates at this time, the banking system in our country is responding to the market forces of supply and demand. [Excerpt] [FL111832 Nassau Domestic Service in English 1800 GMT 11 Feb 80]

**NEW SENATE MEMBERS**—Opposition leader Norman Solomon has chosen dentist Dr (Cleveland Innes) to be a member of the Senate. The appointment was announced yesterday, the same day it became effective. Dr (Innes) now joins attorneys Jeanne Thompson and David Thompson who were appointed to the Senate by Mr Solomon earlier this year. One more opposition senator is to be appointed. [Nassau Domestic Service in English 1300 GMT 9 Feb 80 FL]

**ILLEGAL HAITIAN IMMIGRANTS**—The police yesterday apprehended some 30 illegal immigrants believed to be Haitian nationals. They were found off Athol Island and they have been taken to Foxhill Prison to be processed by immigration and police authorities after which they will be repatriated. Police have urged member of the public to come forth and identify six bodies found here during the past few weeks. Officials believe the bodies may belong to illegal Haitian immigrants. Some of the bodies were reportedly found on Athol Island. [Nassau Domestic Service in English 1300 GMT 11 Feb 80 FL]

**BAHAMAS CAPTURES BOATS**—Two Cuban American fishing boats were apprehended this weekend for allegedly fishing in the (Kingovers) area. The ten crewmen have been brought to Nassau to face charges. [Nassau Domestic Service in English 1300 GMT 11 Feb 80 FL]

CSO: 3020



## BARBADOS

### BRIEFS

**1980 SUGAR CROP PROSPECTS**—Barbados sugar producers have expressed optimism that 1980 could be the best sugar crop for years. The Barbados Sugar Producers Federation, the BSPA, reported that reaping this year was expected to yield about 125,000 tons, about 13,000 tons more than 1979. The president of FSPA, (Geoffrey Armstrong), said the sugar industry has been through hard times recently but he was hopeful that this has now come to the end of a lean period. The optimism is based on the increased price on the world market for sugar, the good rainfall that Barbados has been experiencing and the decrease in the burning of cane. But the BSPA president said the industry still has to battle with acute shortage of workers which, he said, could delay reaping and upset projections. The association has launched a campaign in the media in an effort to assist in the recruitment of workers and to point out to Barbadians not only the importance of sugar to the island's economy but also the good wages that can be earned. [Text] [FL122139 Kingston Domestic Service in English 2030 GMT 12 Feb 80 FL]

**DEPUTY HIGH COMMISSIONER ARRIVES**—New British Deputy High Commissioner to Barbados and the Eastern Caribbean (David Montgomery) is due to arrive in Barbados this afternoon to take up his post. Mr Montgomery will be accredited to Barbados, Dominica, St Lucia, St Vincent and the Grenadines. In addition, he will be deputy British Government representative to Antigua and St Kitts-Nevis. He replaces Sir (John Phillip) who returned to Britain earlier this month on retirement. [Text] [FL122159 Kingston Domestic Service in English 2030 GMT 12 Feb 80 FL]

CSO: 3020

## **BERMUDA**

### **BRIEFS**

**GOVERNOR TO VISIT JAMAICA**—The governor of Bermuda is to visit Jamaica later this month. According to a government's announcement, Governor Sir Peter Ramsbotham will be spending some time with members of Bermuda's part-time regiment who are involved in training exercises at Drake (Cove). The statement says the governor will be meeting with Prime Minister Manley and members of the Jamaican Government. The Bermuda Regiment has used Jamaica almost exclusively for its annual training camp since 1968. The government says some 109 members of the regiment, a company as well as six officers, are now at Drake (Cove). [Text] [FL132102 Kingston Domestic Service in English 2030 GMT 13 Feb 80 FL]

CSO: 3020

**U.S. OLYMPIC BOYCOTT NOT FIT PUNISHMENT FOR SOVIET CRIME**

Santiago EL MERCURIO in Spanish 14 Jan 80 p A3

[Editorial: "Olympic Games and Politics"]

[Text] The State Department's announcement that as a reprisal against the Soviet action in Afghanistan the United States is considering withdrawing from the Olympic Games, which are supposed to take place in Moscow this year, and Vice President Walter Mondale's request to change the site of the events are highly questionable for at least two reasons.

In the first place, if we keep in mind that the basic premise of all theories of crime and punishment is that there be a proportionate relation between the offense committed and the penalty imposed for that offense, it is apparent that the cruel invasion of Afghan territory by Soviet troops will in no way be corrected by North American abstention from the athletic competition. Neither can we think that this step is going to have the slightest discouraging effect on the USSR's expansionist aims. On the contrary, if this were the only measure the Soviet Union had to face as a consequence of its action--as it seemed to be at the beginning--it is likely such action will verify that there is no power in the world capable of resisting Soviet military operations in other countries or that has the necessary willpower to do so.

Certainly the Soviets will be caused some harm if there is a mass abstention of participants from the Western nations. Previous experience shows that setting up the Olympic Games involves numerous expenditures on construction of the whole project, much of which would be lost in this case. The Olympic Games have become so large in scale, with more than 9,000 competitors from 112 different countries, that Japan, when it was host nation, had to spend \$560 million for the games. The figure for Mexico in 1968 was around \$700 million. In Montreal in 1976 the cost of the games left such a large financial deficit that it caused a genuine political scandal.

In the second place, there is an objection in principle to any attempt at using spheres of human interaction such as athletics or art to resolve political differences. The Olympic Games, which revived the traditional Greek competitions, were created specifically to keep this area of endeavor free from political interference. For this purpose the Olympic oath demands that the games be carried out "apart from races, creeds and affiliations."

This viewpoint is shared at the present time by at least two important European countries. Great Britain's Olympic Committee has restated its determination that "sports be kept outside of politics" and West Germany's committee has reaffirmed that "the games should not be used as an arena to solve political differences."

The North American attempt to boycott the games certainly has precedents. The powerful AFL-CIO North American labor union tried to prevent Moscow from being approved as the site for the games when the USSR was chosen as host nation. The AFL-CIO then suggested its replacement by a country "that respects human rights, the Olympic spirit and the free exchange of opinions, and that grants guarantees of the athletes' safety and freedom."

Even coarser actions to twist the Olympic spirit have been carried out in the past. In 1976, 36 nations withdrew from Montreal in protest against the participation of New Zealand because it had competed with South Africa. In 1972, in Munich, Palestinian guerrillas took advantage of the chance to advance their cause by murdering 11 Israeli athletes in the most brutal kind of terrorist assassination.

It is apparent that if the United States really wants to show its strength and not only keep up certain appearances, it will have to use at least some of the tools at its command to warn the Soviets they cannot take over the world without incurring any punishment.

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CSO: 3010



GOOD CASH FLOW, LOWER INTEREST RATES FORESEEN FOR 1980

Santiago LA TERCERA DE LA HORA in Spanish 9 Jan 80 p 3

[Commentary by Rolf Luders Sch., Doctor of Economics: "1980: Good Liquidity and Low Interest Rates"]

[Text] I believe that certainly during the 1976-1978 period Chile had higher active interest rates than those experienced by any other country for an extended time. This situation changed dramatically last year when the interest rates fell from a tangible average of 54 percent yearly for the period 1976-1978 to 17 percent. We think that--for reasons we will give--this trend will continue so that during 1980 a tangible interest rate of about 10 percent will be reached.

Present economic policies have been marked by daring in basic reforms and caution in managing particular cases. The reforms in the price system, in the tariff system, in the tax system itself, in the whole of institutionalized labor relations, and now in the system of city revenues and in many other areas as well can be considered no less than revolutionary. On the other hand, to take one example, the government has chosen to lower inflation rates gradually and a similar process has occurred with interest rates and the opening toward international financing.

Interest rates rose drastically in concrete terms during 1975 when the government decided to follow a relatively limiting monetary policy at the same time that it was reducing the fiscal deficit (by increasing taxes and reducing fiscal expenditures) and choosing not to renegotiate the foreign debt. Thus there occurred a big demand for funds at a time when the supply was diminishing due as much to the fall in national income (and the resulting fall in savings) as to the lessening of foreign credit available for new loans in the country.

This situation kept on improving little by little in proportion as the country recovered from the 1975-1976 crisis, and as the Central Bank extended domestic credit and increased the supply of foreign credit. Nevertheless, it was not until the beginning of 1979 that the Central Bank chose to significantly open the national market to the flow of foreign loans, even when it then did so it was under a system that permitted only the slow entry of foreign funds.

This was done with the apparent goal of avoiding inflationary pressures in the short run that a sudden opening could cause. Taking all this into account, as we have said already, the interest rate went down strongly to a tangible figure of 17 percent as a result of these measures.

During 1980 the government will continue with a program of increasing liquidity for the economy. The 1979 experience seems to have proven to the Central Bank that—given the opening in foreign trade and financing—it can even increase domestic credit more without causing undue inflationary pressures or dangerous losses of reserves. For this reason the government has decided to lower cash reserves which, together with the largest possible influx of foreign loans—among other things—because of last year's reforms will tend to lower interest rates during 1980 to about a tangible 10 percent.

In short, during 1980 interest rates have to be, on the average, once again essentially lower than those seen during 1979. This will allow the increase of investment that the country needs to be able to continue growing at the rates it has been during recent years.

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CSO: 3010

ARTICLE OFFERS OPTIMISTIC PREDICTIONS FOR NATION'S ECONOMY

Santiago EL MERCURIO in Spanish 12 Jan 80 p A 3

[Article: "Economic Subjects—Optimistic Economic Predictions"]

[Text] Clarifying Expectations

In recent weeks signs have appeared in the economic sphere that allow us to see the future more clearly and to make somewhat more exact predictions about the behavior of economic variables.

Certainly the first important sign is stability in public finances. The fiscal budget for the present year is based on a copper price which by all indications will be less than the real price. The state enterprises will have to hand over surpluses to their owner the Treasury, and in general the public sector, including companies and other autonomous or decentralized corporations, will show moderate growth, less than the likely increase in profits but finally with some surplus.

These features of public finances make it possible to support the belief that the rate of exchange will be kept fixed, and moreover they show that a strong development of the private sector will be possible if the later is not limited by an excessive consumption of the means of production by the state.

The second interesting indication in recent days is the decision not to devalue the currency and to maintain exchange policies marked by a firm value of the dollar at 39 pesos, as well as the possibility of changing from U.S. currency to others more firm in the event that the dollar shows excessive weakness or if inflation in the United States becomes very high, as happened just last year.

This indication has important consequences because in small economies open to foreign trade, as is Chile's, the domestic price level is strongly affected by price activity on the world market. Under these circumstances a policy of fixed exchange means smaller inflation, similar to that in the rest of the world. Nevertheless the possibility that a change in the peso-dollar link will be announced presents the question of whether the Chilean Government could really revalue its currency if it thinks it advantageous to do so, so that even a part of world inflation could not penetrate the domestic economy.

Finally we must point out the repeated resolutions of the Central Bank regarding establishing automatic reductions of domestic cash reserves in the coming months both in sight deposits and term deposits. These advance announcements about cash reserves besides allowing more effective operating of the Central Bank also make possible a lessening of the difference between paid and recovered interest rates and finally a lower cost of credit and a longer term for financing that surely will favorably affect investment and production.

It is quite possible that domestic loans will partially replace foreign loans, with the result that the growth rate of face-amount debt abroad will be reduced.

The Central Bank has not taken any new measures regarding opening a capital account from the balance of payments. If they went ahead with this idea, there would be even greater credit availability and more marked reductions in interest rates. The Central Bank has repeatedly pointed out that its decision is to liberalize this area, but apparently it has chosen to first increase domestic lowering of cash reserves with the resulting increases in domestic credit to later continue with limitations on the financial flow from abroad.

#### Production and the Balance of Payments

Measures recently taken point toward clarifications of inflationary and exchange expectations, an increase in credit and a reduction in interest rates. All this should result in an increase in investments and production. Especially areas such as construction and production of durable and semidurable goods will be strongly encouraged.

Trade should continue growing, and agriculture and livestock should expand rapidly. Indications of this are preliminary estimates of a larger area sown, the productive result of investments of recent years in fruit trees, and the growing interest observed in cattle raising.

Fishing should probably not reduce its production rate, and manufacturing industries seem to have at their disposal the resources and investments in progress to maintain a rate of expansion similar to 1979's. Mining will show a slight increase, especially of petroleum, and services should keep up the activity of recent years.

In addition, added demand will tend to produce a strong increase in consumption, springing from a policy of automatic wage adjustments together with decreasing inflation. Voluntary wage increases will also have an effect, as will those resulting from collective bargaining.

Investment should also expand strongly, as indicated by the importation of capital goods and energetic activity in construction. Lower interest rates will also contribute to expansion of investment.



Exports may also increase significantly. The price of copper exports will be higher; as for other exports, the growth rate of recent months shows a real upward swing.

Imports will increase in the same way, but as was already seen in 1979, their rate of increase probably will continue diminishing.

In 1979, exports already had a growth rate greater than that of imports. In 1980, this will probably be increased by the strong rate of increase of noncopper exports, rises in the price of copper, and the fact that in 1980 Chile will be buying petroleum in better circumstances than it did in 1979 when it had to pay really high emergency prices.

As a result, it is likely that the trade balance deficit will be reduced and along with it the deficit on the current account, to a figure of about \$600 to \$700 million, which will be financed easily although net capital income from abroad may be reduced to a third or a quarter of what it was in 1979. Therefore, the most likely situation is that the growth rate of production in 1980 will be equal to or greater than the 7 or 8 percent that both pessimistic and optimistic analysts have estimated for 1979.

Under these circumstances, it is logical to think investments will continue growing at as strong a rate as employment. Perhaps unemployment rates will remain high, but clearly diminishing. In this regard, surely the increases that will be produced in real wages can have an effect.

The balance of payments look better this year than last, and a surplus will finally depend on foreign financing in the private sector and investments by the state, as well as on the reserve policies that the Central Bank will follow.

#### Public Finances, Type of Exchange Inflation

As was previously asserted, the 1980 inflation will be determined basically by North American inflation and the damage the dollar may suffer in relation to other currencies.

Naturally, in the short and middle run domestic price rises also will be affected by monetary exchanges which at the present time, given the financial stability in the public sector, strongly depend on what are called exchange transactions, that is, the net purchases of currencies made by the Central Bank.

Most probably the rate of exchange will remain at 39 pesos per dollar, and even less. This can be assured because there are no domestic sources of money issuance, since the public sector is showing a slight surplus, and at the present time the Central Bank is not granting any kind of loan refinancing. If this is the case, besides mitigating expectations of inflation in the private sector, it should be possible to have no more inflation than that abroad, and even less.

Technically speaking, fiscal balance allows preserving the rate of fixed exchange, and this in turn makes possible a domestic inflation equal to the international one. Thus, for example, if the relevant foreign inflation were around 15 percent, Chile could have an inflation of this size.

It is nevertheless extraordinarily difficult to predict international inflation, and the same is true of changes in the parities of currencies. What happened in 1979 is a good example of this.

Predictions are also difficult to make because of the short-run effect that monetary exchanges may have on prices and the slow adjustment of expectations in the private sector to actual economic conditions. Already some businessmen have made inflationary predications that must be considered excessive. Nevertheless these expectations affect real inflation figures, and to sustain themselves they oblige the authorities to follow recession policies to speed up adjustment of domestic to foreign inflation.

For all these reasons, it is difficult to predict Chilean inflation in 1980 or the changes it will undergo with time. The most likely outcome is that it will be substantially less than 1979's, and that if private expectations diminish and if currency and exchange policies are adequate, an inflation could be achieved that is significantly low and quite smaller than that of recent years.

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## COLOMBIA

### BRIEFS

**COFFEE EXPORTS**--According to the National Federation of Coffee Growers, Colombian coffee exports have picked up considerably in recent months. Shipments had been seriously reduced by the lack of sacks, but that situation has been resolved and some 4 million sacks have been exported since August 1979 and another 400,000 sacks are ready for shipment at the various ports. [PA121602 Bogota Cadena Radial Super in Spanish 1100 GMT 11 Feb 80 PA]

**COAL EXPORTS**--During the next decade Colombia will export 2 million tons of coal to U.S. and European markets, presidential spokesman Lorenzo Solano said during the board of directors meeting of the Colombian Coal Enterprise. He said that an international mission is studying the site for the largest coal port in Colombia that will allow 200,000-ton ships to dock. [PA121602 Bogota Radio Cadena Santa Fe in Spanish 1730 GMT 11 Feb 80 PA]

**PHYSICIAN'S KIDNAP CONFIRMED**--Bogota, 12 Feb (LATIN)--The Defense Ministry confirmed today that pro-communist guerrillas of the self-styled People's Liberation Army (EPL) have kidnaped Oscar Hadad Louis, a physician. Hadad Louis was captured by guerrillas on 7 February at his estate, Rusia, in the southern part of Cordoba Department, some 500 km northeast of Bogota. The Defense Ministry spokesman said the kidnapers' ransom demands and the details of the kidnaping are still unknown. Oscar Hadad Louis was mayor of the city of Monteria, capital of Cordoba Department (province). The announcement of the kidnaping came almost simultaneously with that of the release of U.S. biologist Richard Starr, who had been held for 3 years by the pro-communist Revolutionary Armed Forces of Colombia (FARC). [Text] [PA131355 Buenos Aires LATIN in Spanish 0022 GMT 13 Feb 80 PA]

**LAW, ORDER GUARANTEED AT UNIVERSITY--Bogota--**In the future, law and order within the Colombian National University will be maintained, Education Minister Rodrigo Lloreda Caicedo has stated. He has also condemned the attitude of persons alien to the university who participated in the recent riots which caused the provisional suspension of classes while the proper measures are being taken to restore order. The minister said it has been officially ascertained that persons alien to the university [words indistinct]. The Superior Council has been asked to set a date for reopening after a way to control the entry of students has been established. [Text] [PA112320 Bogota Radio Santa Fe in Spanish 1730 GMT 11 Feb 80 PA]

**GUERRILLAS' COURT MARTIAL--**Sixty-two persons will be tried starting tomorrow, in a court martial to be held at the 4th Brigade's installation in Medellin. Twenty-five persons who will be arraigned are accused of belonging to the so-called Revolutionary Armed Forces of Colombia [FARC], while another 42 will be tried in absentia. The court martial will begin at 0800 with the participation of several lawyers who will have the difficult task of refuting the arguments proving the guilt of their defendants. According to reports, the 25 guerrillas were captured some days ago in the Chigorodo and Anorin mountain regions. Firearms, subversive propaganda and materials suitable for the building of bombs were also taken from them. [Text] [PA112147 Bogota Radio Cadena Nacional in Spanish 1730 GMT 11 Feb 80 PA]

**NO DEMONSTRATIONS IN BOGOTA, OTHER CITIES--**Today at noon the national government ratified before the Electoral Guarantees Tribunal in Bogota that no political demonstration will be permitted on the main streets of Bogota and in the country's most important cities. Governors have the necessary autonomy to enforce this regulation, government Minister German Zea Hernandez said. [Excerpt] [PA112055 Bogota Radio Santa Fe in Spanish 1730 GMT 11 Feb 80 PA]

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## COSTA RICA

### BRIEFS

**CARAZO, CODESA AGREEMENT**--The president of the republic, Rodrigo Carazo, said that there is no difference between the criteria issued by the director of CODESA [Development Corporation, Inc.] and the statements he made at the inauguration of the anhydrous alcohol-producing plant in Liberia. In this regard, President Carazo said that it should be made quite clear to the country and particularly to those who have intimated that there is some point of disagreement "about which we cannot remain silent in the face of situations affecting all Costa Ricans." In a joint communique signed by President Rodrigo Carazo and the director of CODESA, Trino Araya, it was stated that CODESA should operate as efficiently as possible; and to this end Engineer Araya is devoting his time. In a related connection, if there are investments which were made without due study and necessary programming, these are an obstacle to the performance of the president of CODESA; however, it is his duty to strive for the most efficient operation of the enterprises, without regard to the circumstances of their origin. Also, "The president should see to it that consumers are charged fair prices, and, even though past investments by CODESA were not economical, there are only two alternatives to ensure the best for the country. These alternatives are: shut down the enterprise, as was done in the case of GUANACAL, or adjust stocks so that their price does not affect consumers." However, the communique states, "We must not remain silent in the face of situations which affect Costa Ricans, as this is the job of all public officials." [Text] [San Jose LA REPUBLICA in Spanish 23 Jan 80 p 3] 8143

**RECOPE FUEL IMPORT REDUCTION**--Yesterday, President Carazo ordered RECOPE [Costa Rican Oil Refinery] to reduce foreign purchases of gasoline in 1980 in the amount of 52,493,476 colones so that "this reduction in oil imports will offset the losses of foreign exchange produced by the recent banana strike." In his letter--which was published by LA REPUBLICA three days ago--Carazo said, "By economizing on gasoline, we will offset the loss in dollars and will have foreign exchange with which to import medicines, equipment, raw materials so that the factories will not shut down and materials with which to fight agricultural pests." In the letter sent to Mario Lara Eduarte, Carazo said that he was making this request because of the fact that in one of his speeches he had assured the country that he would ask RECOPE to offset the loss of foreign exchange produced by the recent banana

strike through reduction of oil imports. For this reason, President Carazo requested that Lara take all the steps necessary so that in the course of this year gasoline imports will be reduced, as announced to the country. To this end, President Carazo said that it was necessary to program the distribution of the losses of foreign exchange, only partially indicating the sectors susceptible of absorbing the losses, without causing profound social problems. [Text] [San Jose LA REPUBLICA in Spanish 24 Jan 80 p 2] 8143

CODESA ALCOHOL PRODUCTION--The president of the republic, Rodrigo Carazo, told the director of CODESA [Development Corporation, Inc ] of the schedule to follow in the manufacture of alcohol in Costa Rica and requested that he "make every effort so that the sad experience of the CATSA [Tempisque Sugar Mill, Inc ] would not cause a trauma among Costa Rican consumers." President Carazo said these things in a letter sent to Engineer Araya in which he stated, "Costa Rica must succeed in replacing gasoline with alcohol to a large degree and in the shortest possible time," to save foreign exchange and decrease our economic dependence on the foreign sector. With this as the basis, the president requested immediate coordination of the draining work which was announced as necessary to use the lands purchased by CATSA for the sowing of sugarcane. This work should be started immediately, according to the president; however, he limited the use of alcohol to public organizations which can guarantee the cleaning of tanks and proper proportions of the mixture. Also, "It is necessary to have immediate distribution of the alcohol produced, as the distillery has a very limited storage capacity, despite its high investments." [Text] [San Jose LA REPUBLICA in Spanish 24 Jan 80 p 3] 8143

CSO: 3010

**STATE COMMITTEE OFFICIAL CALLS FOR BOLD EFFORTS**

FL142239 Havana Domestic Service in Spanish 2127 GMT 14 Feb 80 FL

[Text] We must combine boldness with realism to successfully develop all our tasks, Fidel Vascon Gonzalez, minister-president of the state committee for statistics, stated in this morning's opening remarks at the fifth national meeting of that state committee. He called for understanding the new elements that develop which do not represent the undertaking of irresponsible tasks.

Fulfilling today's duties without interrupting future tasks must be our work goal, he said elsewhere in his speech before nearly 1,000 delegates participating in the meeting. The fifth national meeting of the state committee for statistics will hold working sessions until the day after tomorrow, Saturday, at the Jose Ramon Rodriguez social club in the Municipality of Playa, Havana city.

The main report on the fulfillment of directives and last year's work plan was discussed in the opening session. The state committee for statistics was established in 1976 and in the year being examined it recorded a period of very important progress. At today's meeting the importance of studies and qualifications for undertaking future tasks was stressed.

Today's session includes the reading, discussion and approval of the current year's work directives whose main objective is to guarantee up-to-date information and statistical evaluation required to make preparations for and conducting the second party congress.

CSO: 3010

## HEALTH, EDUCATION MINISTERS REPORT ON CURRENT SITUATION

FL141416 Havana Domestic Service in Spanish 1200 GMT 14 Feb 80 FL

[Text] Public Health Minister Sergio del Valle and Education Minister Jose Ramon Fernandez have participated in the last meeting of the Council of Ministers national office for people's government organs headed by Faustino Perez, member of the party's Central Committee. The meeting, in which our Commander in Chief Fidel Castro participated, was held at the meeting hall of the Council of Ministers' executive committee.

Sergio del Valle, minister of public health and member of the party Politburo, participated when the optimum use of health services was being discussed. He highlighted the efforts concerning preventive medicine and its achievements. Speaking about these achievements, he said that infant mortality in Cuba decreased to 19.3 per 1,000 live births last year. Sergio del Valle told the chairmen of the provincial people's government executive committee that the close relationship between the central organs and the committees was very advantageous to people's health. He referred to health problems which are being examined in order to plan the measures that need to be taken. He said the range of problems is so broad that it covers all areas. The Politburo member reported that the advisory scientific council which was recently set up by experts will provide support for the work to be done.

In his wide-ranging talk, the public health minister said that a control and inspection directorate has been created as well as a series of compulsory standards. Work is also being done in the equipment and maintenance of health centers on the advice of our Commander in Chief Fidel Castro.

Eugenio Rodriguez Balari, director of consumer demand in the Domestic Trade Ministry, reported on the research undertaken about nurses' uniforms and requested the cooperation of the provincial chairmen for a survey in this regard.

Jose Ramon Fernandez, minister of education, vice president of the Council of Ministers, and member of the party Central Committee, reported on the current school term and said that all provinces both at the elementary and secondary levels are in the best conditions to make it a successful term.

Joaquin Benavides, president of the state committee for labor, announced the formation of committees to oversee the observance of correct labor policy.



**MACHADO VENTURA ADDRESSES ECONOMIC PROBLEMS AT PCC MEETING**

FL141456 Havana Domestic Service in Spanish 1200 GMT 14 Feb 80 FL

[Text] Jose Ramon Machado Ventura, member of the Central Committee's Politburo, has expressed, on behalf of the party's top leadership, his confidence in Villa Clara communists' honorable and efficient fulfillment of their responsibilities in the country's development plans.

In his concluding remarks at the 12th plenum of the party's provincial committee in Villa Clara, he said that the committee is not lacking in knowledge and experience necessary to face the problems currently affecting several areas of our economy.

The Politburo member said it was necessary to employ criticism and self-criticism in the right manner, time and place. He then spoke of how deficiencies evident in worker discipline, the treatment of the population, and in the best use of resources in various areas of production and services are being faced and solved.

Machado Ventura said that impetus must be given to sugar production and sugarcane agriculture in the province. Further on he said that necessary attention must be given to the development of cattle herds and hogs, vegetables and tobacco production and to support for the recently opened textile plant.

Matters concerning public health, school and nursery equipment as well as problems relating to the work force were also analyzed at the plenum.

After the measures and recommendations to be carried out in the various areas in Villa Clara were announced, the report was approved. It also included transportation and communications, construction and basic industry matters.

CSO: 3010

## BRIEFS

**CASA DE LAS AMERICAS JURY**—Carlos Rafael Rodriguez, member of the Communist Party of Cuba Politburo and vice president of the Councils of State and Ministers, has met at the Casa de las Americas headquarters with the 45 intellectuals from 23 countries who made up the jury for the 1980 Casa de las Americas literature contest. Haydee Santamaria, member of the Central Committee and of the Council of State and president of Casa de las Americas, opened the meeting. Then Carlos Rafael Rodriguez expressed his satisfaction in meeting with the judges. [FL131718 Havana Domestic Service in Spanish 1700 GMT 13 Feb 80 FL]

**CULTURAL COOPERATION WITH COSTA RICA**—This morning at the National Union of Cuban Writers and Artists [UNEAC] headquarters, a cooperation agreement was signed by the UNEAC and Costa Rica's Association of Authors of Literary, Artistic and Scientific Works. Signing for the Cuban side was UNEAC First Vice President Luis Saurdiaz and for Costa Rica Alfonso (Chases), vice president of the Costa Rican cultural institution. After signing the documents Saurdiaz and (Chases) noted that the agreement was of a historic nature since it was the first bilateral accord to be signed by UNEAC with a Latin American institution. Attending the ceremony were UNEAC President Nicolas Guillen, Casas de las Americas First Vice President Mariano Rodriguez and members of the UNEAC secretariat. [FL132024 Havana Domestic Service in Spanish 1910 GMT 13 Feb 80 FL]

**CASA DE LAS AMERICAS**—A large number of persons attended the ceremony hosted by the Cuban Institute of Cinematographic Art and Industry [ICAIC] in honor of the workers of the Casa de las Americas, on the occasion of the 20th anniversary of its founding. The ceremony, which was held at the Cinemateca Hall, was chaired by Haydee Santamaria, member of the PCC Central Committee and president of the Casa de las Americas, and Vice Minister of Culture Alfredo Guevara. The keynote address was made by Actress Norma Martinez who referred to the role played by the Cuban cinematographic industry which has contributed quality and new life to the new Latin American films. She added that the Cuban film industry feels like a brother to the Casa de las Americas due to its efforts aimed at uniting the cultural activities of the peoples in the Latin American continent. [FL132159 Havana Domestic Service in Spanish 2114 GMT 13 Feb 80 FL]

**TRANSPORTATION WORKERS' MEETING**—Havana's workers have pledged to honor May Day with a 26,000-trip workday in a meeting held to evaluate the measures adopted to improve bus service. During the meeting, which was chaired by Roberto Veiga, member of the PCC Central Committee and secretary general of the Central Organization of Cuban Workers, the progressive improvement being experienced in the transportation of passengers was attributed to better union and administrative work. The participants in the meeting pledged to repair all bus terminals in the capital by next April and to make the best effort in the emulation plan whose only goal is to fulfill the plan of 26,000 daily trips. [Text] [FL132301 Havana Domestic Service in Spanish 2230 GMT 13 Feb 80 FL]

**DEL VALLE TOURS ISLE OF YOUTH**—Sergio del Valle, member of the PCC Politburo and minister of public health, today visited medical clinics on the Isle of Youth. Del Valle toured the expansion work at the Nueva Gerona General Hospital, the physiology and pathology units under construction and the patients' main ward, where he expressed interest in the care of patients. Sergio del Valle's visit included the community polyclinic which services more than 25,000 residents and the Comandante Andres Cuevas Hospital at the town of La Fe, where students from preuniversity and junior high farm school are given medical attention. [Text] [FL140043 Havana Domestic Service in Spanish 0000 GMT 14 Feb 80 FL]

**VEIGA IN PINAR DEL RIO**—The firm determination to limit the goals of socialist emulation to those related to pledges of an economic nature will be the principles governing this year's emulation, Roberto Veiga, member of the PCC Central Committee and secretary general of the Central Organization of Cuban Workers, announced in a plenary session held at the May Day polytechnic institute in Pinar del Rio. Referring to volunteer work and study, Veiga stated that these tasks of the trade union movement should not be made a part of emulation plans. However, he added that they will continue to be union tools for strengthening the workers' communist consciousness. He stated that the goals of socialist emulation should be simple so that the workers may know about what and for what they are emulating. It is a mistake, he said, to try to solve all problems and fulfill all tasks through emulation. The important meeting was also attended by Jaime Crombet, member of the PCC Central Committee and first party secretary in Pinar del Rio Province. [Text] [FL140043 Havana Domestic Service in Spanish 0000 GMT 14 Feb 80 FL]

**SPELEOLOGY SOCIETY**—Politburo members Guillermo Garcia Frias and Armando Hart last night presided over the ceremonies to celebrate the fourth anniversary of the Cuban Speleology Society at the Camilo Cienfuegos Circle of the Cuban Academy of Sciences [ACC]. ACC President Wilfredo Torres opened the event. The Czechoslovak Ambassador to Cuba Milos Vojta presented the society's founder, Dr Antonio Nunez Jimenez, with an appointment as foreign member of the Czechoslovak Academy of Sciences. [FL131405 Havana Domestic Service in Spanish 1200 GMT 13 Feb 80 FL]

**GUANTANAMO CONSTRUCTION PROJECTS**—A number of industrial, livestock and agricultural, social, educational and economic construction projects will be completed this year in Guantanamo, reflecting great progress in the development of the country's easternmost area. A water processing plant and the wrought and malleable iron foundry will be completed this year. In addition, the Jaibo Dam, one poultry unit, a bakery, two daycare centers, a vocational art school and the Camilo Cienfuegos military school will go into operation. These announcements were made in a meeting chaired by Alfonso Hodge, member of the PCC Central Committee and first party secretary in Guantanamo Province. [Text] [FL150058 Havana Domestic Service in Spanish 0000 GMT 15 Feb 80 FL]

**TORRALBA VISITS NEW MILL**—Diocles Torralba, member of the PCC Central Committee and minister of the sugar industry, today visited the construction site of the Batalla de las Guasimas sugar mill, located in the Municipality of Vertientes, Camaguey Province, accompanied by Lazaro Vazquez, first party secretary in that province. The sugar industry minister observed equipment undergoing tests at the tandem, scale, centrifuge and water treatment plant. Torralba chatted with veteran workers about the construction of the new sugar mill and congratulated them for the results of the tests. [Text] [FL150058 Havana Domestic Service in Spanish 0000 GMT 15 Feb 80 FL]

**LITERARY AWARDS**—The winners of the Casa de las Americas 1980 literature prize were named last night at a ceremony presided over by Armando Hart Devalos, member of the Politburo and minister of culture. The 12 prizes were distributed among the Brazilians Octavio Alfonso and Gilberto Coutinho, Mexicans Eduardo (Lasagne) and Felipe Santander, Ecuadorean Raul Perez Torres, Peruvian Osvaldo Jorge Salazar, Colombian Enrique Beunaventura, Guatemalan Mario (Palleras), Barbadian (Augustin Clark), Haitians (Anthony Fils) and (Gerard Pierre Charles), and Cuban Dora Alonso. [FL121244 Havana Domestic Service in Spanish 1100 GMT 12 Feb 80 FL]

**GUANTANAMO UJC MEETING**—The Union of Young Communists (UJC) has fulfilled its pledge to Commander in Chief Fidel Castro of closing 1979 with 80,000 members in the technical youth brigades. Luis Orlando Dominguez, member of the party Central Committee and first secretary of the UJC, has made the announcement in his concluding remarks at the third plenum of the UJC Provincial Committee in Guantanamo. Dominguez emphasized that the number of UJC priority work projects increased to 16 in 1979. He added that positive results were obtained in Moa and Cienfuegos where UJC members from Guantanamo made an important contribution. [FL121244 Havana Domestic Service in Spanish 1200 GMT 12 Feb 80 FL]

**ICRT ANNUAL REVIEW MEETING**—Raising the quality and variety of radio programs in accordance with the interests and preferences of the people was one of the primary aspects noted by Orlando Fundora, chief of the party Central Committee's department of revolutionary orientation, in his remarks at the annual review meeting of the Cuban Radio and Television Institute [ICRT] in Villa Clara. Fundora emphasized the need to provide radio programs aimed at youths. He also said it is indispensable to create mechanisms that will make it possible to begin a cultural and musical education process through radio. A report submitted by Orlando Rodriguez Frenes, ICRT director general in Villa Clara Province, stresses the completion of 70 of the 72 essential tasks planned for the period [presumably 1979]. [FL121244 Havana Domestic Service in Spanish 1200 GMT 12 Feb 80 FL]



**PROVINCIAL AGRICULTURE MEETING**—Jaime Crombet, member of the party Central Committee and party first secretary in Pinar del Rio, has urged extraordinary efforts in agriculture at a meeting in which 1979 agricultural and livestock work was examined. Regarding the sugar harvest, Crombet reaffirmed the purpose of making it the best one in history, completing the sugarcane planting plan and giving priority attention to livestock, citrus and coffee in Pinar del Rio. [FL121244 Havana Domestic Service in Spanish 1200 GMT 12 Feb 80 FL]

**HUNGARIAN AGRICULTURE DELEGATION**—A delegation headed by Dr Pal Romany, minister of agriculture of the Hungarian People's Republic and member of the Central Committee of the Hungarian Socialist Workers' Party, has visited the Eduardo Garcia Lavandero sugar mill and other agricultural centers in Artemisa Municipality, Havana Province. During its stay in Havana the Hungarian delegation will visit the Guira de Melena miscellaneous crops enterprise and the Lazaro Pena tobacco enterprise in San Antonio de los Banos, as well as the centers for hog research in Guatao and sheep and goat insemination in Nazareno. [FL121142 Havana Domestic Service in Spanish 1100 GMT 12 Feb 80 FL]

**NICARAGUAN TRADE MINISTER**—Alejandro Martinez Cuenca, Nicaraguan minister of foreign trade, has returned to his country following an official, friendly visit to Cuba. The Nicaraguan minister held meetings with government leaders and learned about the work of the Cuban Foreign Trade Ministry, which he described as highly positive and fruitful. [PA121553 Havana International Service in Spanish 1600 GMT 11 Feb 80 PA]

**CDR MEETING**—Armando Acosta, member of the PCC Central Committee and national coordinator of the Committee for the Defense of the Revolution [CDR], has chaired a national meeting of the CDR organizing front during which 1979 accomplishments in that sphere were examined. Attending the meeting were CDR provincial secretaries and national organizing officials as well as members of the national department of organization and general affairs who examined the internal affairs of the organization, collection of funds and recruitment of new members in 1979. Furthermore, the participants reviewed the work accomplished in the first 2 months of 1980 in connection with the membership and discussed the fulfillment of the first CDR congress agreements at the rank-and-file level, that is, CDR block and zone offices. [FL122253 Havana Domestic Service in Spanish 2230 GMT 12 Feb 80 FL]

**STUDENTS NEEDS, CONCERNS**—Various aspects of the placement of intermediate and higher intermediate level schools' students in the 1980-1981 term, specialties with additional requirements and vocational education were discussed today in a national meeting on scholarships held at the education Ministry's main offices in Havana. In his closing remarks Jose Ramon Fernandez, member of the PCC Central committee, vice president of the Council of Ministers and Minister of Education [MINED], stated that no one single student should be left out when making satisfactory proposals and paying attention to requests and concerns. Likewise, he referred to the need for demanding quality in recruiting and registering students in vocational education as well as fulfilling to the last detail each of the factors involved, such as schedules and other related matters. [FL130031 Havana Domestic Service in Spanish 0000 GMT 13 Feb 80 FL]

**EDUCATION MINISTRY—Cienfuegos—**Jose Ramon Fernandez, vice president of the Council of Ministers and minister of education, has urged the Cuban teachers to fulfill all their tasks with the spirit and unselfishness with which our internationalist educators work in Angola and Nicaragua. The PCC Central Committee member made the closing remarks at the fourth national seminar for Education Ministry's leaders and inspectors held in Cienfuegos. At the seminar, during which important problems related to educational work were examined and discussed, Jose Ramon Fernandez also noted that if any agency must be truly exigent, that has to be the Education Ministry. He added that all deficiencies must be totally eradicated with great vigor. [FL130158 Havana Domestic Television Service in Spanish 0100 GMT 13 Feb 80 FL]

**EXHIBIT INAUGURATION—**Armando Hart Davalos, member of the party Politburo and minister of culture, has inaugurated an exhibit at the Havana fine arts palace in tribute to the 20th anniversary of Casa de las Americas. The exhibit of photographs, books, recordings and important works of art gives a general idea of the work done by Casa de las Americas. Others present at the exhibit's opening included Hayde Santamaria, member of the party Central Committee and president of Casa de las Americas; Nicolas Guillen, president of the National Union of Cuban Writers and Artists; and Central Committee members Faustino Perez and Belarmino Castilla. [FL091858 Havana Domestic Service in Spanish 1700 GMT 9 Feb 80 FL]

**PROPAGANDA SEMINAR—**Jorge Enrique Mendoza, member of the party Central Committee and director of the newspaper GRANMA, has made the closing remarks at the symposium on graphic propaganda and its ideological function in the building of socialism. The symposium was held at the Nico Lopez National PCC school with the participation of almost 200 planning and dissemination specialists as well as officials of the PCC Central Committee's department of revolutionary orientation. The final reports of three work committees that met for 2 days were read during the closing session. A total of 30 position papers were examined by these committees. [FL091858 Havana Domestic Service in Spanish 1700 GMT 9 Feb 80 FL]

**CONSTRUCTION WORKERS IN IRAQ—**A group of 196 construction workers from Villa Clara Province who will be going to Iraq have joined in the work of producing crossties and other railway elements in Santa Clara. The group will remain there until they leave for Iraq. This preparation will be useful for the Cuban workers, who will build 1,000 dwellings in the region of Al'Amarah, Iraq. [FL091930 Havana Domestic Television Service in Spanish 1800 GMT 9 Feb 80 FL]

**SHIPBUILDING PLANS—**Cuban shipyards will build six new prototypes of specialized vessels in 1980. Enrique Oltuski, vice minister of the fishing industry, has made the announcement at the first scientific and technical meeting on naval and fishing development held at the academy of sciences. The principal lines of work to be undertaken immediately in the fields of shipbuilding design, fishing equipment and systems, and cargo handling and transportation were defined at the 2-day meeting. [FL091546 Havana Domestic Service in Spanish 1500 GMT 9 Feb 80 FL]

**PINAR DEL RIO BORDER GUARDS**—A detachment of border guards troops [TGF] for Pinar del Rio has been formed in El Rosario, Vinales Municipality, at a ceremony presided over by Col Pedro Rodriguez Peralta, member of the party Central Committee and chief of the TGF. The group's commander is Maj Ramon Barrios. Speaking at the ceremony's conclusion, Orlando Lugo Fonte, president of the provincial people's government assembly, said that from now on relations with these guardians of our coasts must be closer and more coordinated. [FL091546 Havana Domestic Service in Spanish 1521 GMT 9 Feb 80 FL]

**HART ON AMATEUR MOVEMENT**—Culture Minister Armando Hart Davalos, member of the Politburo, said in Guantanamo on Sunday that the amateur performers movement is probably socialism's most important creation in the artistic and literary area. Hart Davalos was summing up the work done during 1979 by the people's council of culture in Guantanamo. Also present at the meeting was Alfonso Hodge, Central Committee member and first party secretary in Guantanamo. [FL111235 Havana Domestic Service in Spanish 1100 GMT 11 Feb 80 FL]

**BEST FAR ENTERPRISES**—The military industrial enterprise Grito de Baire has been selected the Revolutionary Armed Forces' [FAR] best company in 1979, according to Julio Machado Tamayo, secretary general of the National FAR Civilian Workers Union who was making his report at the interenterprise socialist emulation drive meeting held at the Grito de Baire company. Div Gen Sixto Batista Santana, member of the party's Central Committee and vice minister-chief of the FAR political directorate, made the concluding remarks at the event. Other first place award winners in their respective areas were Great October Revolution enterprise and the FAR Meteorology Laboratory. [FL111235 Havana Domestic Service in Spanish 1145 GMT 11 Feb 80 FL]

**FMC CONGRESS**—In Las Tunas, Vilma Espin, member of the PCC Central Committee and president of the Federation of Cuban Women [FMC], has stressed that the FMC members are ready to hold a successful congress. She said that the process of evaluation, election and/or reelection of officers prior to the Third FMC Congress is moving forward with great quality because in all meetings various aspects of production, concern for the education of children, attention to school problems and employment of women have been the main subjects of discussion. Vilma referred to the critical and self-critical spirit which must be observed in coming years as well as the careful selection of delegates to municipal and provincial events. The FMC president mentioned the full use of rank-and-file organs as well as exigency and quality in all tasks as the fundamental objectives to be pursued in the future. [FL112247 Havana Domestic Service in Spanish 2230 GMT 11 Feb 80 FL]

**NONALINED MOVEMENT DONATION**—Roseau, Dominica, 11 Feb (LATIN-REUTER)—Julian Torres Rizo, Cuban ambassador to Grenada and St Lucia, today delivered a check for more than \$1 million to the Dominican Government as part of a contribution by the nonaligned movement to the country's reconstruction efforts after the devastation left by Hurricane David on 29 August. Rizo was accompanied by Guillermo Batiste, special assistant of the Cuban Foreign Ministry and Luis Felipe Matos, personnel assistant of the same ministry.

In presenting the check to Prime Minister Oliver Seraphin, Rizo said the donation is the first part of promised aid to Dominica for its reconstruction from the nonaligned countries. In September 1979, a few weeks after the hurricane, the nonaligned movement agreed at its sixth summit meeting held in Cuba to create an ad hoc committee for the Caribbean under the chairmanship of Fidel Castro to aid Dominica. Rizo said the amount is made up of contributions from Cuba, Syria, Sri Lanka, Sierra Leone and Libya. [PA142242 Buenos Aires LATIN in Spanish 2225 GMT 11 Feb 80 PA]

CSO: 3010



## **DOMINICAN REPUBLIC**

### **LEFTWING GROUPS MERGE, STATE VIEWS ON AFGHANISTAN INVASION**

**Santo Domingo EL NACIONAL in Spanish 17 Jan 80 p 22-A**

**[Article by Juan Baez]**

**[Text] Four leftwing organizations today announced their intention to merge and indicated that a coordinating committee was set up recently to form a single leadership.**

**The groups, which called a press conference to criticize the presence of Soviet troops in Afghanistan, among other things, are Socialist Tendency (ML), the Socialist Projection Movement (MPS), New Course and the Revolutionary Socialist Tendency of the Dominican People's Movement.**

**The groups (which have splintered from various Marxist organizations) indicated that last 16 December "we held a plenary meeting of the leaders of our four organizations and officially set up a Coordinating Committee that will direct all of our efforts towards unity."**

**They said that the committee "will organize a soon-to-be-held meeting of leaders and members at which a single leadership will be formed and at which other important steps will be taken towards consolidating this unifying process and paving the way for a new and solid organization."**

**With regard to the Soviet intervention in Afghanistan, the four leftwing organizations said that it "does a free favor to American imperialism, which has thus scored a political victory and divided the Muslim movement, which identifies the United States as its main enemy."**

**The top leaders of the political groups claimed that the United States is trying to take political and military advantage of the occupation.**

**In conversations with newsmen the leftwing leaders said that the intervention was not in keeping with socialism and was also a**

reassertion of their longstanding expansionist policy and "a perversion of proletarian interventionism designed to defend the interests of the Soviet state."

Attending the press conference were Messrs Radhames Garcia, from the MPS; Fidelio Despradel, from New Course; Roberto Duverge, from Socialist Tendency, and Lucas Martinez, from the Revolutionary Socialist Tendency.

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PCD, PLD LEADERS CRITICIZE GOVERNMENT FOREIGN DEBT POLICY

Isa Conde Television Interview

Santo Domingo EL NACIONAL in Spanish 16 Jan 80 p 8-A

[Report on interview with Isa Conde on a television program; date and place not given]

[Excerpts] The secretary general of the Dominican Communist Party (PCD) criticized the government's foreign debt policy and asserted that the funds secured under it are used to finance balances of payments and to pursue a policy of luxury imports.

Narciso Isa Conde stated that over the 16 months of the PRD [Dominican Revolutionary Party] administration the country has contracted 1.264 billion pesos in debts with governments and international financing organizations.

He clarified that the sum includes the loans that are currently being negotiated abroad.

Isa Conde rejected the arguments of Central Bank governor Eduardo Fernandez to the effect that the loans would be used for projects that would bring benefits to the country.

The Central Bank has also stated that the country has received very little from the loans that have been worked out.

Isa Conde said that the debt policy is questionable in particular because of the purposes for which the loans are being used.

The Communist leader stressed that the government uses Dominican pesos to pay for the investments in the projects for which the loans are negotiated.

"Dollars are being used to finance balances of payments and a policy of luxury imports," the Communist leader stated.

Isa Conde was interviewed on a television program. With him on the program was Mr Sully Seanny, who is in charge of international affairs on the PCD Central Committee.

Isa Conde scoffed at the idea that some of the loans negotiated by the country have soft terms, underscoring that the \$70 million loan to acquire Rosario Dominicana was arranged at an interest rate of over 16 percent.

He recalled that the PRD criticized the foreign debt policy pursued by the reformist government and promised to cut the country's outlays in this area.

Nevertheless, Isa Conde emphasized, "the PRD administration is resorting to foreign loans even to cover the current expenditures of state institutions."

He asserted that the National Lottery made use of an international loan agreement to pay off its delinquent accounts with the Dominican Electricity Corporation.

#### Juan Bosch Statements

Santo Domingo LISTIN DIARIO in Spanish 14 Jan 80 pp 1, 15

[Article by Mirtilio Felix Pena]

[Text] Former President Juan Bosch reiterated yesterday that the government's debt policy "is not in keeping with any plan" and demanded that the government spend time to work out the financial plans that the country needs.

Bosch, the president of the Dominican Liberation Party (PLD), feels that the people in charge of the country's public finances "do not have the slightest idea of what is in store for us if they pursue their loans policy."

The writer and politician explained that a drop in the price of any of our main exports "could have such repercussions on the national economy that not only this administration but all Dominicans, including those being born right now, will have to pay for the consequences of the state's superficial economic policy."

Commenting on the statements by the governor of the Central Bank, Eduardo Fernandez, to the effect that the government had only negotiated a Eurodollar loan (the one for \$185 million) with a banking group in London, Bosch said that these assertions "ought to alarm all those who are concerned about this country's destiny."

Bosch added that Fernandez "has blithely overlooked the \$70 million loan to buy the Rosario shares, even though he himself said that the



negotiations for the loan would be concluded before the end of the month, and he also forgot that the secretary of state of finance had left for Europe to arrange another loan for \$90 million."

The PLD leader then said: "These three loans add up to \$345 million, for which we will pay more than double the amount in 10 years, but as far as Mr Fernandez is concerned, the only loan that he could point to was the \$185 million, short-term Eurodollar loan."

According to Bosch, the governor of the Central Bank does not attach the slightest importance to the other \$900 million in debt, "against which the country has not paid out a single penny," the political leader added, quoting the exact words of the Central Bank official.

The PLD president commented that he did not know what Mr Fernandez meant by these words, pointing out that "what I do know is that as far as the governor of the Central Bank is concerned, the only valid financial plan is to continue grabbing borrowed dollars every time that they are needed to meet the international commitments of Dominican trade."

Bosch stated: "We denounce this policy because it is not in keeping with any plan, because it is the easiest way out of our balance of payments problem, without taking at all into account the Dominicans who sooner or later will have to pay for the consequences of the makeshift actions of the state's monetary authorities. We demand that the government spend time to work out the financial plans that the country needs and that it put an end to this merry, makeshift policy that Eduardo Fernandez and his colleagues in the Squadron of Economic Death brag so much about."

The PLD president's statements were given in writing to this reporter at his residence on Cesar Nicolas Penson Street.

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## DOMINICAN REPUBLIC

### FORMER UASD RECTOR TOLENTINO DIPP JOINS PRD

Santo Domingo LISTIN DIARIO in Spanish 18 Jan 80 p 15-A

[Article by Hugo A. Ysaiguez]

[Excerpts] The former rector of the Autonomous University of Santo Domingo (UASD), Dr Hugo Tolentino Dipp, was sworn in yesterday as a member of the Dominican Revolutionary Party (PRD), which is currently in power.

The oath was administered by the secretary general of the PRD, Dr Jose Francisco Pena Gomez, at a ceremony at PRD headquarters.

Tolentino Dipp explained that he was joining the PRD because it was going to play an outstanding role in the struggle for the survival of democracy in the country.

He indicated that the PRD's government program must satisfy the aspirations of those who believe in the country's full independence, in social justice and in democracy.

He contended that it was the PRD's prospects that prompted him to join the party.

Dr Tolentino Dipp is expected to sit on the Executive Committee of the PRD at the behest of Pena Gomez, who was empowered by the party's last convention to select new members of the committee.

"Dr Tolentino Dipp has been close to the party since 1962 and has been a supporter since that time," Pena Gomez stated at the swearing-in ceremony.

Pena Gomez emphasized that Dr Tolentino Dipp has suffered the hardship of persecution because of his struggle for the interests of the Dominican people.

He pointed out that the former UASD rector played an outstanding role in the revolution of April 1965, going so far as to write several essays to the now deceased Col Francisco Casmano Deno.

Also speaking at the ceremony was Ivelisse Prats Ramirez de Perez, who announced that Tolentino Dipp would become part of the PRD's Political Education School.

At the close of the swearing-in ceremony Tolentino Dipp said that he was not a man of partisanship, pointing out that he has demonstrated this during his political life.

He asserted that his performance of his functions at the UASD showed that he was his own man.

"I think that the PRD is a party that serves the country and therefore I have joined it," Tolentino Dipp asserted.

He indicated that as a member of the PRD he does not yet have a specific area of action and that he has not been assigned to any branch of the party.

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## **DOMINICAN REPUBLIC**

### **BRIEFS**

**UPA LEADERS' ARREST DEFENDED—** San Cristobal, 19 January--The local police chief has denied that the searches and arrests that the police have carried out in recent days constitute a crackdown on opposition political leaders. Col Paulino Reyes de Leon stated that most of them were arrested in recent days because they broke the law or because the police received reports on them. The police chief noted that the two leaders of the Anti-Imperialist Patriotic Union, Tomas Sanchez and Nelson de Leon Nina, who were arrested last week by police agents were breaking the peace. [By Jose A. Thomas] [Text] [Santo Domingo EL NACIONAL in Spanish 20 Jan 80 p 22] 8743

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## EL SALVADOR

### SALVADORAN GUERRILLA COMMENTS ON EVOLUTION OF FPL

PA182300 San Salvador Radio CADENA YSU in Spanish 1240 GMT 18 Feb 80 PA

[Excerpt] By late 1969 said guerrilla leader Salvador Cayetano Carpio, it was perfectly clear that El Salvador required a central strategy in which all means of struggle could be utilized and combined in a dialectical manner. He said armed struggle would be the central thread through which the people's revolutionary fervor would be expressed.

In this manner, labor leaders of that period--persons like Jose Dimas (Alas) of the United Labor Federation, Ernesto Morales, youth leader of that organization, and others--joined with Carpio, a former secretary general of the Salvadoran Communist Party to form the People's Revolutionary Front [Frente Revolucionario del Pueblo].

Salvador Cayetano Carpio said the political-military revolutionary strategy of prolonged warfare has helped our people to advance to such a stage that at this time, no honest person in El Salvador can fail to admit that this is the only path for the final liberation of the Salvadoran people.

Finally, he added that the Farabundo Marti Popular Liberation Forces have worked to have the Salvadoran people realize that they have a source of support against the oligarchy and that the time has come for the people to get to know the leaders of the revolution. For this reason, he said, I now disclose my name.

CSO: 3010

**MAJOR D'AUBUISSON REVEALS LEFTIST GROUPS ACTIVITIES**

PA170338 San Salvador EL DIARIO DE HOY in Spanish 16 Feb 80 pp 1, 27 PA

[Text] The extreme left clandestine organizations operating in the country have managed to obtain a total of 179 million colones from kidnappings, not including robberies, Maj Roberto D'Aubuisson said during a televised program Thursday night.

Major D'Aubuisson showed a list of persons kidnaped and the ransom paid in each case on the television screen. These figures were supplied by the government offices which participated in the investigations.

Major D'Aubuisson also revealed to the people the names of some leaders running these organizations anonymously. In their operations they hide behind useful fools.

Major D'Aubuisson went back as far as when a group kidnaped and killed Ernesto Regalado and up to the present when the self-styled groups: Farabundo Marti Popular Liberation Forces, the Armed Forces of National Resistance, the Revolutionary People's Army, the Revolutionary Party of Central American Workers and other groups have begun operating in this country.

When he gave the names of leaders of some clandestine groups, Major D'Aubuisson mentioned some well-known professionals in the country suspected by no one.

Some of his revelations were astonishing.

Major D'Aubuisson pointed out that the university campus has become a sanctuary of leftist elements.

He also referred to the meddling of Jesuit priests entrenched in the Catholic Central American University in the country's domestic political affairs and in the organization of the people's revolutionary bloc which is known as "the group of 12."

Major D'Aubuisson called members of the [28 February Peoples] Leagues "crazy" for the way they have tried to appear overnight through their acts.

CSO: 3010

MEXICAN PAPER PUBLISHES INTERVIEW WITH TOP SALVADORAN GUERRILLA

PA181525 Madrid EFE in Spanish 1402 GMT 18 Feb 80 PA

[Text] Mexico City, 18 Feb (EFE)—Salvador Cayetano Carpio, El Salvador's most prestigious labor leader, is neither dead nor living abroad: he is the top leader of the Farabundo Marti Popular Liberation Forces (FPL).

This revelation was made here by the liberal paper EXCELSIOR, which carried on Sunday a front page interview with Carpio—known as Companero Marcial in clandestine circles—given "someplace in El Salvador."

For the past 10 years the identity of the top leader of the most important Salvadoran revolutionary political-military organization as well as the fate of Salvador Cayetano Carpio had been unknown.

According to EXCELSIOR, the name of Salvador Cayetano Carpio, a former secretary general of the Communist Party of El Salvador [PCES], is never mentioned aloud.

The paper explains that for the dispossessed, for those who have nothing "of their own," he is a symbol and represents a hope for redemption, while for the 14 families that dominate the country and for the guardians of their wealth, he represents their consciences and a warning about the inevitable end of the prevailing system of social injustice.

The 60-year-old Carpio, a man with the strong build that characterizes American Indian workers, seems to be moved by a "mystic force" in his struggle on behalf of the Salvadoran worker, a struggle aimed at obtaining the most essential things—food, housing, clothing, and so forth.

The Salvadoran revolutionary leader told EXCELSIOR that for a short time he was a refugee in Mexico, and that he lived and worked in Merida, capital of Yucatan state, 1,500 km east of Mexico City.

In the course of the 3-day interview given to the EXCELSIOR reporter in El Salvador, Companero Marcial said that the FPL had been created on 1 April 1979, almost 10 years ago.

It was created, he explained, because it was a need of our people's revolutionary process, a process which, having reached a certain stage in the class struggle, required a political and organic instrument capable of legally implementing its struggle in all areas.

According to Carpio, had not the PCES obstinately opposed the advance of the military-political strategy required by the people in order to advance their struggle, there would have been no need to create the FPL.

CSO: 3010



RELATIVES OF DETAINED STUDENT APPEAL TO U.S. AMBASSADOR

PA182316 San Salvador EL DIARIO DE HOY in Spanish 18 Feb 80 p 49 PA

["Open letter" to U.S. Ambassador in San Salvador, dated 15 February 1980]

[Text] We, the undersigned, as relatives of Francisco Arnulfo Ventura, a fourth-year law student at the National University of El Salvador, write to you because our relative was arrested, along with his companion Jose Humberto Mejia, a law student, by Marines and National Guardsmen who were on guard at your embassy on 22 January at 1430 hours. They were arrested as they were crossing north 27th Street at the eastern side of the embassy. According to statements made by Dr (Riscautes A) Dambrava, director of the International Communications Agency at the embassy, they were turned over to the National Guard and then to the presiding judge who handled the indictment [exhibicion personal] and presented a report to the Supreme Court of Justice on 9 February of this year. We therefore request of you the following:

1. That you intercede directly with the general staff of the armed forces and the revolutionary government junta to obtain his release as soon as possible.
2. As of this date, Ventura has been in custody for 23 days, and we have been unable to obtain information from any source as to whether he is alive or dead. His arrest is therefore illegal, since the period required by law for him to be arraigned in the regular courts has already expired.
3. Since your embassy is in fact implicated in this arrest, it has the obligation to intervene and--in the name of the human rights that President Carter's policies have so often sought to uphold--we believe that as an ambassador to our country, you should heed our request.
4. In the event that our brother is dead, we ask that you so inform us and deliver his body to us to allow us to give him a Christian burial.

We have no doubt that everything we have asked is fair and that your embassy is in a position to grant our requests.

[Signed] Paula de Jesus Ventura, mother; Juan Humberto Ventura, brother; Rene Ventura Reyes, brother.

**DECREE 114 SEEN ANNULING CONSTITUTION**

PA160330 San Salvador LA PRENSA GRAFICA in Spanish 15 Feb 80 p 53 PA

[Paid advertisement signed by Gen Jose Alberto Medrano: "General Medrano's Views on Decree 114"]

[Excerpts] After discussing Decree 114 with a group of lawyers, I can say the following: the decree contains four articles. The fourth just states the date when the decree becomes effective and so I will merely refer to it but not analyze it. The second and third articles are based on the first one and so the main constitutional issue that every citizen must carefully analyze resides in the first one.

The first part of Article 1 reads: "Article 1. We [the junta] are hereby recognizing the validity of the current political constitution to the extent that it is compatible with the nature of the incumbent regime and not contrary to the postulates and goals set forth in the armed forces proclamation dated 15 October 1979 and their line of government notably particularly in regard to measures aimed at."

The mere perusal of this makes one understand the following: The current constitution is subordinate to "the nature of the incumbent regime" and the principles, objectives and line of government contained in the 15 October 1979 armed forces proclamation. This means that the binding nature of the constitution has disappeared. It has been superseded by the nature of the regime and the said proclamation.

This raises the following issues: 1. What is the nature of this regime and where has it been spelled out? 2. What is the legal value of the armed forces proclamation? 3. Does the government junta have legitimate power to annul the constitution that way?

We will examine these basic issues one by one. First basic issue: Since this is a Christian Democratic regime, it must be the nature of the Christian Democratic Party (PDC) that shall prevail over the constitution and annul it and that is madness. Let us suppose the PDC had reached power through an election. Would the nature of that regime have prevailed over

the constitution or would it have been subordinate to it? The descriptions that the PDC leaders give of their regime do not matter. They have no value when faced with the majesty of the constitution because every administration regardless of its ideology must abide by it and the audacity of these government leaders is an unbearable legal blunder.

Second basic issue: The armed forces proclamation has no legal force and so no binding nature both as regards its form and content.

Formally the proclamation has no legal force because the armed forces does not hold legislative power and that document has not even been published in the OFFICIAL GAZETTE. From reading its content, one can conclude that the armed forces wanted its proclamation to set forth the reasons and objectives that justify its actions as interpreter of the will of the people. This cannot be accepted as a legal norm capable of annulling the constitution.

Third basic issue: The government junta is not empowered to annul the constitution to the extent that its will should prevail because from the outset it has been and is limited and subordinate to the constitution and the junta of itself cannot generate any more powers than those bestowed upon it when it was established.

In conclusion, if Decree 114 is accepted we would become a country without a constitution because the people would not know when the nature of the regime or the armed forces proclamation or what would be a constitution merely by name would be enforced.

[Signed] Gen Jose Alberto Medrano

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EL SALVADOR

ATTORNEYS OPPOSE DECREE 114 CONSTITUTIONAL AMENDMENTS

PA152300 San Salvador Radio CADENA YSKL in Spanish 1730 GMT 15 Feb 80 PA

[Text] The special general board meeting of El Salvador's juridical studies center unanimously decided yesterday afternoon to oppose the constitutional amendments introduced by Decree 114 issued by the revolutionary government junta. The meeting was held at the dental society office with a large turnout of professional lawyers who discussed the scope of said amendments.

Spokesmen for the center said the reasons for opposing the amendments and particularly the decree will soon be published for the people to know. After an analysis and discussion, it was decided it is a totally inadmissible attack on constitutional norms and sets a precedent that Salvadoran attorneys cannot accept without endangering the stability of present and future legal institutions.

The bar association will also meet this afternoon in its office at Pasaje los Pinos in Escalon residential area. Several association members have disclosed it will also oppose the amendments. The Salvadoran lawyers circle, another major group of professional lawyers, also called an urgent meeting at a capital city hotel tomorrow to study the same situation which, as disclosed, is regarded as extremely serious.

In addition to the foregoing voices of opposition, well-known local lawyers and other citizens concerned over legal matters here came out strongly against any amendment to the constitution even when it was just rumored that it would be amended. They noted then it would upset legal order and leave the country in a vacuum. It is felt this has occurred.

CSO: 3010



EL SALVADOR

COMMENTARY CALLS FOR EXPLANATIONS TO PEOPLE

PA160150 San Salvador Radio CADEMA YSKL in Spanish 1830 GMT 15 Feb 80 PA

[Salvadoran Broadcasters Association commentary]

[Text] The people want to know the rules of the game. The more time goes by, the greater is the confusion of the people who are entitled to a clear understanding of what we might call the rules of the game are—that is to say, how the revolutionary government junta plans to tackle economic, political and social affairs here.

During the past few days we have just been working on "hearsay" although touching the constitution is not just hearsay. It is something that will go down in history. However the situation is still mindboggling. There is nothing specific about it and this helps worsen the situation.

After 3 months in office, we should already see and know clearly where we are being led, for what purpose and under what bylaws or decrees. For the moment, we know nothing about the land reform bylaws. Peasants, landowners and those who are in charge of agriculture want to know what is the much publicized land reform. All one knows about the nationalization of private banking is that the new proclamation announces it but neither bankers nor depositors nor anybody else knows how it is going to be carried out, whether it will be a mere reform to expedite banking operations or something else.

Doubt has also been cast over export matters. There is lack of clarity on this. The junta itself has made embarrassing political statements. We are living in times of mere occurrences and the longer this lasts the more embarrassing the situation is going to be. The situation will become more favorable to those who want to gain by keeping things confused. It can be felt in the air that there is nothing definite—no authority, no legislation.

We want order. We cannot go on putting up with the anarchic situation we are experiencing. A firm hand does not mean dictatorship or totalitarianism but a prudent system of law and order. The people want to know the rules of the game.

CSO: 3010

**EL SALVADOR**

**COLONEL MAJANO ANNOUNCES AGRARIAN REFORM IMPLEMENTATION**

PA170341 San Salvador LA PRENSA GRAFICA in Spanish 17 Feb 80 p 3 PA

[Excerpts] Col Adolfo Arnoldo Majano, member of the revolutionary government junta, maintained at a Christian Democratic Party (PDC) rally that the agrarian reform will be implemented in a few days.

He said this to hundreds of persons, predominantly peasants, who were demanding the presence of the junta members. "If the junta does not show up it is because it does not believe in us," they shouted.

A few moments later, Antonio Morales Ehrlich, Ramon Avalos Navarrete and Colonel Majano appeared. In a brief speech Colonel Majano told them the agrarian reform would be implemented in a few days and then he excused himself and left.

PCF and Salvadoran communal union leaders spoke at the rally which began at 1230. They expressed their support to the democratic process and demanded that changes be carried out as soon as possible.

Jose Napoleon Duarte accused the extreme left and the extreme right of being responsible for violence in the country. He said his party will continue struggling to see that the revolution is carried out peacefully.

The PDC rally was attended by peasants from all 14 departments, who shouted slogans in an orderly manner demanding structural changes for the country.

CSO: 3010

## BRIEFS

**COFFEE PRODUCERS ECONOMIC PROBLEMS**--Coffee producers, especially small and medium producers, are suffering one of the worst crises in the history of the coffee industry as a result of the state control over foreign trade. This is what a group of them stated yesterday. They complained about having serious economic problems because almost 5 months have gone by since the beginning of the coffee-producing year without being able to sell any of their 1979-1980 coffee harvest. The difficulties are such that many of the small producers--approximately 40,000--said they do not have at this moment the means to feed their families. They stated that although this could appear as an exaggeration, it is the truth. They noted that bigger problems will affect the country shortly because due to the lack of credits and advance payments, they will not be able to pay their employees, clean the fields or maintain the farms. They said all this will result in unemployment for many farm workers. [Excerpt] [PA171209 San Salvador LA PRENSA GRAFICA in Spanish 9 Feb 80 p 4, 42 PA]

**ARMY DISCOVERS FPL HOUSES**--Santa Ana--Yesterday, members of the 2d Infantry Brigade of Santa Ana found three subversive cells of the Popular Liberation Forces (FPL). During their search in the Piramidol and Solorzano neighborhoods at the end of 17th Avenue in South Santa Ana, the soldiers found a large amount of subversive propaganda and weapons. In three houses they found rifles and pistols of various calibers, a large amount of ammunition, bombs and helmets of night watchmen which might have belonged to watchmen who had been assassinated. The authorities indicated that the occupants of the three houses where the FPL terrorist cells operated were able to escape before the arrival of troops which were commanded by several officers. They added that the discovery of these three terrorist cells is due to the increased patrols and searches carried out in urban and rural areas to counteract the actions of the terrorist groups. [Text] [PA171614 San Salvador LA PRENSA GRAFICA in Spanish 9 Feb 80 p 4 PA]

**ANNOUNCED CONSTITUTIONAL STATUTE**--The new announcement that a constitutional statute is about to be promulgated has already elicited collective statements, suggestions for roundtables and lawyers' opinion, among other things. When we published our first editorial on this hasty statute a few days ago we said it would provide much food for thought. And so it has. There is evident general unrest because that statute would apparently be going into

effect in place of the constitution promulgated in 1962. But all that has been said so far involves a good dose of supposition since the revolutionary government junta has inexplicably abstained from publicizing this statute—if it really exists. This lack of publicity is encouraging the most speculative conjectures. Something similar to what happened in the case of the "nationalization" of banks is happening now with the statute. We believe the junta's projects should be broadly divulged. [Text] [PA181421 San Salvador LA PRENSA GRAFICA in Spanish 11 Feb 80 p 7 PA]

**DISMISSAL OF AGRICULTURAL UNDERSECRETARY DEMANDED**—The Council of Agricultural Associations [Consejo de Entidades Agropecuarias] is demanding that the government junta immediately dismiss the undersecretary of agriculture and livestock, Jorge Alberto Villacorta, who is an agronomist. Villacorta was identified by Maj Robert D'Aubuisson as an active member of the terrorist Farabundo Marti Popular Liberation Forces (FPL), during a television program on Thursday and Friday nights. The Council of Agricultural Associations is made up of associations of the cotton, coffee, sugar, henequen, livestock and aviculture industries and other powerful associations in the western and eastern sectors of the country. Spokesmen for the organization maintain that the objectives being pursued by those bands of criminals, namely the destruction of the republic, are incompatible with the responsibilities of an undersecretary of agriculture and livestock. Therefore, they have agreed to demand that the revolutionary government junta proceed immediately to dismiss Villacorta from the high post he holds in the public administration. [Text] [PA182216 San Salvador EL DIARIO DE HOY in Spanish 18 Feb 80 p 9 PA]

**COUNTRY'S ECONOMIC SITUATION DISCUSSED**—The members of the government junta met yesterday with the ministers of finance and of economy and the presidents of the Reserve Bank of El Salvador and of the Salvadoran Industrial Development Institute. During the meeting they analyzed the financial situation of the industrial development institute. They also gave special attention to government plans to reactivate the economy and to create new sources of employment. The institute's short, medium and long term plans for the promotion of effective industrial development to permit more efficient cooperation in the country's economic and social development were also analyzed. They agreed that efforts to open the necessary means to reactivate industrial activities should be coordinated. Special emphasis will be placed on opening up new job opportunities in the country. [Text] [PA170402 San Salvador Radio CADENA YSKL in Spanish 1315 GMT 16 Feb 80 PA]

CSO: 3010



## JAMAICA

### BRIEFS

ACP TALKS--A ministerial meeting of the African-Caribbean-Pacific Group (ACP) of countries, dealing with intra-ACP trade will be held in Jamaica in late April or early May. Deputy prime minister and president of the ACP grouping, Mr Bernard St. John, said yesterday that the meeting would be dealing with the mechanics of intra-ACP trade, and will be discussing, among other things, transportation, existing legal constraints on such trade, inventory of educational institutions and research and technology. Mr St. John was speaking at a press conference at the Grantley Adams International Airport, shortly after he had returned to the island after attending a meeting of the council of ministers of the ACP countries, held in Liberia, Africa. He said that although the initial ACP treaty did envisage steps that would be taken to enhance intra-ACP co-operation, not much had been done in this respect. Mr St. John said that a technicians meeting held in Nairobi last year, and the recommendations submitted to the ACP commission, which it has accepted, is the cause of the immediate need for the Jamaica meeting. The purely domestic ACP meeting in Liberia, said Mr. St. John, had been delayed because the grouping had been taken up with the negotiations of the Lome II convention. He said the meeting dealt with such matters as the ACP budget, the staffing of the new Lome II convention, and matters raised by several committees such as the sugar, and banana sub-committees. [Excerpt] [VL071500 Bridgetown ADVOCATE-NEWS in English 4 Feb 80 p 1 VL]

CSO: 3020

**BUDGET DEFICIT FOR 1980 PROJECTED**

Mexico City EXCELSIOR in Spanish 1 Feb 80 Sec A p 17

[Text] Dr Gustavo Matus Pacheco, chairman of the Committee on Fiscal Policy of the National Association of Economists claimed that the budget deficit for 1980 has been estimated at 182 billion pesos; and he therefore recommended that an improvement be made in the efficiency of handling national resources, "attaching priority to spending on productive activities."

The expert was one of the participants in the round-table discussion of policy on public spending, held yesterday at the House of Culture in the town of Puebla, as part of the series organized by the National Association of Economists. Also participating were Rogelio Montemayor, Antonio Chumacero, Alberto Ochoa Pineda, Clemente Ruiz Duran and Ramon Martinez Escamilla.

Matus Pacheco remarked that the investment expenses in the budget submitted by the authorities comprise virtually half, that is, 354 billion pesos, of the amount appropriated for outlays in the areas of administration and operation, which will be 707 billion pesos.

In analyzing the budget he cited as goals:

1. Backing economic consolidation, because the increase in the budget is both quantitatively and qualitatively different from that attained in previous years; because a growth from 7.5 to 8 percent is anticipated in the gross national product.

In this regard, he noted that the 2 previous years had proven that, with the new development strategy, growth rates occurred which exceeded those on record, accompanied by an appreciable increase in employment.

2. Curbing and combating inflation, by means of controlled spending and the allocation of funds for accruing and intensifying the supply in the key sectors of the economy.

### Increased Production Necessary

So, Matus added, production will have to be increased, so as to prevent the demand from exerting heavy pressure on the domestic supply of goods and services; while simultaneously preventing that demand from being directed abroad, to the detriment of the domestic economy.

3. Inherent in the running expenses are the services in the social area which the Mexican state provides; because, in addition to them, there are the costs of health, education and research, among other no less important categories.

4. Including the underprivileged groups in the overall progress of the nation, allocating a larger amount of funds, and accelerating the programs required for this. In this area, great significant is attached to such institutions as Complamar, and its agreements with such entities as social security and CONASUPO [Government Basic Commodities Company].

In his remarks, Gustavo Matus Pacheco added that the most important aspects involved in the revamping of the budget that the federation will implement consist, essentially, of a reorientation of public spending, through a relative reduction in the rate of increase in investment directed toward the oil industry, for the purpose of generating funds released for application to the priorities and goals which the 1980 budget has set. He said that relying on the oil resources would appear to be a correct measure, at least insofar as the behavior of the economy in general is concerned.

He claimed that public spending is closely related to our economy's capacity for generating the funds which must finance it, by means of taxes and prices, as well as the rates for the goods produced by the public sector.

He concluded by saying that the outlook for financing public spending is promising, because 87 percent is being supported by its own funds, with a resultant positive effect on the debt in the public sector.

2909

CSO: 3010

## 'WORST FOOD CRISIS IN HISTORY' DESCRIBED

Mexico City EL SOL DE MEXICO in Spanish 31 Jan 80 Sec A p 5

[Editorial by Enrique Serna Elizondo: "The Worst Food Crisis in the History of Mexico"]

[Text] Unfortunately, Mexico is among the countries which are dependent for food; and, as proof of this claim, one need only point out that the government has just purchased, for this year and until mid-1981, 4.7 million tons of American farm products, which are part of the 10 million which the United States withdrew from the USSR, at a cost of 17.25 billion pesos, to which must be added another 6 million tons which were purchased from other countries, such as Canada and Argentina, last December, at a cost of 19.145 billion pesos.

During the last decade, the country's agricultural and livestock production was critical and insufficient to meet the demand from the population, whose demographic growth did not decline by 3.2 percent, while food supplies declined significantly. For example, between 1960 and 1977, the agricultural and livestock sector grew 3.7 percent on the average, while between 1970 and 1977 its average growth was 1.1 percent; and what is noteworthy is the fact that, between 1974 and the present, there has been a constant drop in agricultural and livestock production.

Our country has changed rapidly from self-sufficiency to dependence with respect to food. Last year attested to one of the worse agricultural collapses in the nation, a decline which was partially mitigated thanks to funds and loans. It was also accompanied by droughts and poor harvests: For example, the bean crop declined 32 percent in comparison with the year before, and there was an 18 percent reduction in corn and barley. However, some areas, such as Tamaulipas, offset the decline with sorghum.

The government has sought to subsidize the basic food industry, although it is under the control of the big multinationals, which operate as self-service and restaurant chains which, of course, only invest and produce in the areas wherein the profits are large. Without regard for the nutrition



of Mexicans, and contributing heavily to the process of transnationalization of the Mexican economy, they do not create many sources of employment and, when they can, they defraud the treasury, as in the case of the Coca Cola bottling firms, which have been brought to trial after the federal crime of defrauding the government was disclosed.

The fact is that the rural area was left to its own devices some time ago and, in the previous decade, the Mexican population was converted from rural to urban, owing to the great exodus from countryside to cities and towns. In 1970, the rural population was 60 percent and the urban population 40 percent; today, it is exactly the opposite. Now then, rural unemployment is tragic, since it has reached a rate of 60 percent among the economically active population.

The process of capital depletion in the rural areas has entailed the polarization of wealth in the hands of a few, and poverty for many. In 1974, 3.5 percent of the families earned 60.2 percent of the total income.

The problem of the food shortage is extremely complicated, because it demands, concurrently, limiting and regulating demographic growth; increasing agricultural, fishing and livestock production; teaching the Mexican people to evaluate their diets from a nutritional standpoint; and trying to increase their calorie intake so as thereby to improve their diet.

But perhaps what is most important is that the state intervene actively, not only in the marketing process, but also in the production and industrialization processes, so as to curb the greed of the multinationals and that of the speculators of hunger. Otherwise, we run the risk of the outbreak of class social conflicts in the near future, exacerbating still more the social inequalities and contradictions which could cause violence and chaos, resulting from "the worst food crisis in the history of Mexico."

This decade is marked by the great challenge facing the governments with food shortages in seeing to it that their people are fed and develop.

Official data from the UN predict that, every year, 50 million human beings will die of starvation in economically dependent countries, which are exploited by the great powers using the weapon of hunger to pressure the latter, so that they will supply them with their raw materials and, in fact, doom them to perish in a long, wretched death agony.

2909

CSO: 3010

## INFLATION, FIXED PESO PRICE HINDER DEVELOPMENT

Mexico City EXCELSIOR in Spanish 31 Jan 80 Sec A pp 27, 29

[Text] Yesterday, Dr Alonso Ibanez, general director of the Private Sector Center for Economic Studies, claimed that inflation and the parity of the peso are "the chemically purest poison" for damaging the nation's exports and its sound economic development, and that the current monetary policy is both expansive and inflationary.

During a meeting with the members of the National Mexican Importers and Exporters Association (ANIERM), he predicted that, "according to my crystal ball," the growth of the gross national product would be 7.1 percent, while that of the industrial sector would be 8.7 percent; the manufacturing sector, 7.5 percent; the petroleum sector, 14.7 percent; the petrochemical sector, 8.2 percent; the mining sector, 2.5 percent; the electricity sector, 9 percent; and the construction sector, 10.3 percent.

He maintained that inflation would rise from 25 to 30 percent, because the growth of money in circulation under the current president's system is both expansive and pro-inflationary. He gave a reminder that, up until 1973, monetary expansion had increased, and was curbed by Jose Lopez Portillo when he was finance minister. However, as president, he has increased it.

He stated that, unfortunately for those in public office, the monetary policy is out of phase, and international situations are intervening in inflation. However, the external sector has affected inflation positively, and now it is from three to five points less than what it should be in accordance with our domestic policy. He explained that what we import has a lower inflation rate than our own.

He then discussed actual parity and the parity of equilibrium in Mexico. A fixed currency is detrimental to Mexico. The business owner is subsidizing exports by 50 percent, and our imports ostensibly pay 50 percent of the tax. The system of floating the peso actually keeps it fixed.

## **Either Inflation Is Controlled, Or...**

He noted that, in this way, competitiveness is lost; but, either inflation is controlled, or there will have to be devaluation. The latter occurs when there is no success in controlling inflation, as is the case now; and the peso must be devalued because we are building an increasingly fictional economy.

The umbilical cord of inflation consists of controlled and subsidized prices; the latter account for over 100 percent of the deficit in the public sector, he observed.

Moreover, in answer to a question, he stressed that the increase in money in circulation has nothing to do with the gross national product; in other words, he said: "It is the opposite of what Don David told the deputies."

The deficit in the balance of commodities, without oil, doubles every 14 months. Mexican industry has an annual income return of 7 percent. There cannot be expansion based on foreign trade, because the real difference in the parity of the peso with respect to the dollar is 15 percent.

In his judgment, although he declined to say what the parity of the peso should be ("because the press is present, and it does not know how to keep secrets"), the real difference in parity at present is 15 percent, and the basis for another devaluation should start there; because, furthermore, "the National Industrial Development Plan has been destroyed by inflation and parity."

He argued that it suits the rest of the world to let whatever happens to us happen, because we sell to them cheaply, and we have lost our oil independence because we have associated parity with the price of oil. A real parity would immediately solve the export problems.

Ibanez explained: "Contrary to what Don Fidel says, business owners have striven more than they needed to. In terms of investment, they have done far more than expected, and the business owning sector is the most active one. The investment rate was 18 percent higher than last year."

He also remarked that, for the first time in 29 years, it is anticipated that the generation of jobs will exceed the growth of the population of working age. If the rate of growth is maintained, by 1995 unemployment will be resolved and there will be an improvement in quality because of the great demand for specialized workers. Now, business firms recognize the value of skilled labor, and there is a scramble for those who have education.

## DEMOGRAPHIC GROWTH OF JALISCO COAST PROJECTED

Mexico City EL SOL DE MEXICO in Spanish 28 Jan 80 p 1-F

[Article by Francisco Gonzalez Sanabria: "Big Influx into Jalisco Coastal Region"]

[Text] Guadalajara, Jal., 27 January (OEM [Mexican Publishing Organization]). It is urgently necessary to push the megalopolis development program from Cabo Corrientes and Puerto Vallarta, Jal. all the way to Compostela, Nay., because of the population explosion; in 1930, Puerto Vallarta had 10,245 inhabitants; today it has 74,000 and by the year 2000, the region will have more than 1.1 million inhabitants, the vast majority of whom will seek accommodations in the tourist area, if production, industry, and employment centers are not developed in the area of 14,000 square kilometers covering the already approved megalopolis zone.

The increasing concentration of people in Puerto Vallarta will seriously add to the many problems found there and will limit the tourist potential of this area, turning it into an overcrowded center of expensive services, according to Alfredo Leal Cortes, technical secretary of the Urban Development Commission and executive director of the Puerto Vallarta Trust.

This strip-city is a compromise to prevent excessive growth in Puerto Vallarta, Jal., through an effort to avoid this heavy concentration when industrial plants are opened, when agricultural and livestock centers are promoted, when other manufacturers settle down with products from the region, including forest developments and mining projects, in the very vast zone of natural resources.

The official hinted that the way to promote the plan, which would prevent overcrowding in Vallarta, is through investment programs in other regions, avoiding the practice of giving priority to everything in the tourist center while the other sections are neglected; this priority will continue to be a point of attraction for the flood of people centering in the Pearl of the Pacific, coming not only from this vast region but from other parts of the republic.

Interviewed while passing through Guadalajara, Alfredo Leal Cortes summarized the situation, saying that the megalopolis area, extending



from Cabo Corrientes and El Tuito, Jal., all the way to Penita de Jaltamba, Nay., there are 1,063 towns with widely differing population figures, as indicated by the examples below:

There are 922 hamlets with between 15 and 250 inhabitants; 26 villages between 250 and 500 inhabitants; 34 small towns with between 500 and 2,500 people; three towns with 2,500-5,000 inhabitants; four towns with population figures between 5,000 and 10,000; and three with 10,000-20,000, while Puerto Vallarta holds first place in the 1978 official census with 58,446 inhabitants; but the fact is that there is a tremendous influx of people in certain categories, looking for odd jobs and creating even greater conflict in terms of public utilities while at the same time affecting the tourist environment.

5058

CSO: 3010

PEMEX: THREE NEW WELLS ON LINE SOON

Mexico City EL DIA in Spanish 29 Jan 80 p 7

[Text] The petroleum output—1.9 million barrels per day at this time—will shoot up within the next several days when three new oil wells go into production in the southern zone of Chiapas-Tabasco, according to zone superintendent Genaro Andrew Gonzalez.

The wells in the southern zone produce an average of 65,000 barrels per day; but, the new wells to be opened up for production, will have an output of 150,000 barrels per day according to estimates; this is why, in conservative terms, before a month has passed, we will hit a figure of 2.3 million barrels, in other words, 50,000 barrels above the goal of 2.25 millions.

All of this applies without looking into the prospects to be found in the Gulf of Sabinas where new deposits have been found and where engineers are looking into the possibility of opening wells with combined gas which would increase the output of crude and of gas.

Looking at the Campeche prospecting area, where 16 fields will be opened up, we are also nearing the opening of new producing wells; this points to a considerable increase which perhaps will be announced on 18 March, the anniversary of petroleum expropriation.

Although all of these indicators have been confirmed by PEMEX [Mexican Petroleum], the output level for next April continues to be 2.25 million barrels per day; this is why we are only waiting for an announcement from the executive branch in order to open up other wells.

The proven and probable reserves, amounting to more than 90 billion [barrels] (total), according to calculations by PEMEX engineers, underscore the security of Mexican supplies for at least 70 years more; this is why it is hoped that, if the reserves were to increase, due to the discovery of the Iris-Giralda field, with an estimated 1.5 million barrels, the output level could rise without threatening the reserves and the supplies.

PEMEX announced yesterday that output had been kept constant throughout January; but, in accordance with programs, the output will vary slightly

in the beginning of February with the opening of the previously mentioned wells; we do not anticipate the opening of other wells for exploitation in the Campeche prospecting area, so far the one with the biggest potential in Mexico.

It was confirmed however that wells would be opened up in the Gulf of Sabinas because they contain large volumes of gas.

5058

CSO: 3010

NEW NUCLEAR POWER PLANT, NO ELECTRICITY PRICE RISE

Mexico City EXCELSIOR in Spanish 19 Jan 80 p 4-A

[Article by Antonio Garza M.: "No Hike in Electric Power Rates--VAT to Replace Federal Tax"]

[Text] In announcing the construction of another nuclear electric power plant, Hugo Cervantes del Rio, chairman of the Federal Electric Power Commission, stated that electric power rates will not go up and that the 10-percent federal tax would be terminated in exchange for the collection of the VAT.

The official notice that the step determined at the beginning of this six-year term, to double the electric power generating capacity, would be carried out so as to increase the installed capacity from 10.5 to 20 million kilowatts; this implies direct participate in the National Industrialization Plan.

He explained that 55 billion pesos would be invested this year in hydroelectric, thermoelectric, and coal-electric as well as geothermal power plants.

He indicated that the electric power industry is using loans to grow but its payment capacity has not yet been exceeded.

Cervantes del Rio answered questions during a breakfast with representatives from the communications media. He assured them that the repercussions to be felt by this sector as a result of payment of the VAT for the purchase of equipment and materials are to be offset by means of greater productivity.

Regarding the new nuclear-electric power plant, he explained that it is now in the blueprint stage and that all preliminary engineering work is being done; but it has not yet been determined exactly where it is to be put.

As for the need for making the electric power industry less and less dependent on hydrocarbons, he said that nuclear energy is one of the



options; he noted that all of the necessary steps will be taken to guarantee the functional efficiency of the Laguna Verde plant and that it will be built and that we are technically ready to operate it.

The Laguna Verde nuclear-electric power plant will go into operation in 1982 and construction on the new plant will be started thereafter; but it is in the planning stage because the electric power industry must plan in long-range terms to meet the growing demand which over the past 3 decades went up by a cumulative figure of 11 percent per year.

#### No Hike in Electric Power Rates

Regarding electric power rates, he noted that the Secretariat of Commerce has not been asked for an increase but that the industry undoubtedly finds that its production costs are heavily influenced by worldwide inflation which is reflected throughout the country.

He remarked that the federal 10-percent tax, now on electric power rates, would be repealed and that it is currently being collected in the receipts. But the VAT will be collected which is why in reality there will be no increase in rates.

#### No Subsidies for Industry

He also reaffirmed that there are no subsidies for the industrial sector relating to the collection of electric energy rates. However, he did mention the fact that there are subsidies for rural electric power, above all, with regard to use in connection with water pumping for agriculture and for the needy population groups.

He said that preferential rates would be instituted for the development of four industrial ports in accordance with the National Industrialization Plan of President Lopez Portillo; the four ports are: Coatzacoalcas, Tampico, Lazaro Cardenas, and Salina Cruz.

#### Gas Instead of Petroleum

Cervantes del Rio said that the use of gas for electric power generation went up 39 percent in 1979, as compared to 1978. Gas is already being used to operate thermoelectric power plants, which in the past used fuel-oil, a fuel which today can be exported at higher prices than natural fluid.

Looking at other types of energy to replace hydrocarbons, he talked about the coal-fired electric power plant in Coahuila, the hydroelectric power plants, and the geothermal power plants.

This year, he said, Chicoasen will become operational; in this way it will be possible to supply more energy to the system and we will be able to meet the demands for the development of new centers in the province.

### Credit Is Basis for Growth

He said that the electric power industry had not exceeded its credit capacity, that it pays its installments and interest punctually. He noted that the accelerated and sound development of the industry calls for loans.

He explained that loans were granted with terms of 10 and 12 years, with a 5-year grace period, thus eliminated short-term debts.

He remarked that, looking at enterprise management, an increase in productivity has been important, coupled with a redistribution of employees and technicians in the electric power industry in order to make better use of their work capacity.

During the last 5 years of the preceding 6-year term, the industry grew 8.5 percent per year, in terms of the number of employees, and this percentage dropped 3 percent by 1979.

5058

CSO: 3010

INCREASED PETROLEUM PRODUCTION OPPOSED

Mexico City EXCELSIOR in Spanish 30 Jan 80 pp 1-A, 12-A

[Article by R. Gonzalez Perez: "Risks Deriving from Pumping More Petroleum Trigger Opposition"]

[Text] Petroleum pumping must be in line with Mexican interests; country could fall into the trap of concentrating on a single product: PAN [National Action Party]; we must process and export refined products.

Petroleum must be pumped as a function of the interests deriving from development and not from the United States; this is why we must stick to the 2.25-million barrels-per-day ceiling; any increase in this volume would confront the country with serious risks, as pointed out yesterday by congressmen from the political opposition parties.

In commenting on the Pentagon report, to the effect that Mexico must take the place of the Arab countries in supplying the United States with crude, "because it is the most logical geographic source," the political parties split their opinions. The PDM [Mexican Democratic Party] and the PRI [Institutional Revolutionary Party] agree while the PAN, the PCM [Mexican Communist Party], the PPS [Popular Socialist Party], and the PST [Workers Socialist Party] were in favor of developing a national consensus to determine whether the pumping volume should or should not be increased.

Hiram Escudero, PAN deputy, said:

"We must be cautious in the exploitation and exporting of crude. We must not run the risk of becoming a single-product country; we must process our energy resources here and we must export the derivatives instead of crude. This is more productive, it is sounder, and more positive. Besides, it is indispensable for us to diversify our markets."

Communist deputy Gerardo Unzueta Lorenzana said: "There has been consensus in the country to the effect that the ceiling should be kept at 2.25 million barrels." PRI deputy Angel Aceves Sampedo expressed the opinion that Mexico cannot restrict its pumping level and petroleum sales but he thought that it is also necessary to issue a warning to wake international

public opinion note that Mexico has come to replace the Soviet Union regarding the purchase of wheat and it is also replacing Iran in the sale of petroleum to the United States.

According to Aceves Saucedo, Mexican Petroleum since 1977 has been gradually releasing figures on the proven reserves "which are extremely high." He indicated in this respect that this is why Mexico can and must sell its petroleum abroad and it therefore cannot limit its output.

Hiram Escadero, of the PAN, talked about the dangers deriving from an increase in the pumping volume and the demands of the neighboring country, "which could even lead to the destabilization of the government."

The PPS talked about the ambitions of the United States and estimated that, if the country were to become the main supplier of crude and gas for this neighboring country, it would automatically become a nuclear target.

In the view of PDM chairman Gumersindo Magana Negrete, Mexico has petroleum and can extract what it wants especially since the United States is "the natural buyer."

Magana noted that "While we sell more petroleum, we get more foreign exchange into the country and we can distribute it equitably to solve the most serious problems, such as food, education, and housing. Relations with the neighboring country are good and that permits better business deals between the two countries."

The PDM remarked that it is better to sell the crude than the derivatives since there is no capacity for industrial processing, nor are there any petrochemical industry plants.

Finally, Unzueta Lorenzana, of the PCM, stated that a national movement must be created in the country which would defend the interests of national development on the basis of petroleum "since otherwise we would be surrendering the country's energy resources to the interests of the world's most voracious and extortionist consumer."

5058

CSO: 3010



GREECE OFFERS TECHNOLOGY FOR PETROLEUM

Mexico City EL SOL DE MEXICO in Spanish 30 Jan 80 Sec A p 3

[Text] Yesterday, the Greek ambassador to Mexico, Nikolaos Makridis, announced that Greece is interested in purchasing Mexican petroleum in exchange for technology related to maritime transportation, in which it has considerable experience.

The diplomat noted that, at the present time, trade relations between Mexico and Greece are at a "very low level," since they amount to only 1.5 million pesos in value.

Makridis claimed that, with "this thirst for oil," Greece too would like to diversify its suppliers; something which is in keeping with Mexico's policy of expanding its markets; "but we are awaiting the government's decisions in this regard, to see whether we have any chance of their selling to us."

However, he said that they were also interested in Mexican petrochemical by-products, explaining: "All this will be discussed during the forthcoming visit that the secretary of foreign relations, Jorge Castaneda, makes to Athens."

He announced that the Mexican foreign minister would head a group of officials and businessmen, for the purpose of increasing both trade relations, and cultural exchanges and tourism promotion as well.

Makridis said that the date when the Mexican delegation will take the trip has not been set thus far.

He gave assurance that Greece could advise our country in the area of port infrastructure, maritime transportation, and the construction of highways and bridges, in which it has extensive and successful experience.

Moreover, in commenting on the Soviet Union's invasion of Afghanistan, he pointed out that the policy pursued by his country, "at all times, and whether American or Russian troops, or those of any other nation are concerned, is to repudiate intervention in the internal affairs of other nations."

2909

CSO: 3010

PRICE PARITY WITH CANADIAN GAS SOUGHT

Mexico City EL SOL DE MEXICO in Spanish 1 Feb 80 Sec B pp 1, 4

[Text] Engineer Jorge Diaz Serrano, general director of PEMEX [Mexican Petroleum], announced that Mexico might increase the price of the gas that it sells to the United States, noting that the change in Mexico's position would depend on the results of the negotiations between the United States and Canada, a country which will raise the price of its gas to \$4.47 per thousand cubic feet.

He said that Mexico is currently selling at \$3.625, but whether our country decides on a change in its prices will depend on the United States' response to Canada.

Interviewed after his meeting with President Lopez Portillo, to whom he reported on the progress of the country's oil status, Diaz Serrano gave assurance that the nation's oil production standard has not been reached, because it is accruing 1.905 million barrels per day at present, and the standard is 2.25 million barrels per day.

With regard to gas prices, he said that the contract signed by Mexico and the United States calls for a change in price if there are changes in the prices of crude from Venezuela, the North Sea, Saudi Arabia, Algeria and Mexico.

He remarked: "We have leeway for negotiating increases or changes in the price, just as the American companies have; and we must reach an agreement so that there will be a good deal. Otherwise, we would have to find a suitable means of setting prices."

The PEMEX director disclosed that the price of Mexican gas could be on a par with the Canadian price.

And in discussing future development, he explained that, in 1980, the possibility of taking new courses of action is in sight, if that is the decision of the Mexican people, represented by their president; and this is why

the new opportunities for production are being studied from all possible angles, so that the president can decide what is to be done in this respect.

Diaz Serrano explained that PEMEX's total revenue, minus its expenses, goes to the Secretariat of Finance through taxes, but that a contribution is being made to the creation of jobs, especially by the petroleum by-product industries.

With regard to a possible increase in Mexican gas sales to the United States, the official reported that no request has been received for purchases of gas or oil; and explained that PEMEX was created to serve Mexico, noting in particular that the prospect of creating a new country within the next few years, when we shall number 10 million inhabitants or more, will demand a very large internal investment of funds, in which PEMEX expects to participate.

He said that, for the present, exports of petroleum products are the basis for the negotiations of the Mexican Government, which is currently selling to 16 countries, and considering an increase in the number of customers.

2909

CSO: 3010

CP PARTY COMMENTS ON AFGHAN INVASION BY SOVIETS

PA151818 Panama City STAR AND HERALD in English 15 Feb 80 pp A1, B6 PA

["Excerpt" of statement issued 10 January on events in Afghanistan at conclusion of caucus by Central Committee Political Bureau of Panamanian People's Party]

[Text] Washington has launched a series of slanders and distortions through the news media aimed at exploiting anti-Sovietism and at misinforming the world about the true warmongering plans of Yankee imperialism which seeks to blackmail peoples such as those of Iran and Nicaragua who have been able to overcome national oppression. As if this were not enough, the commotion is used to turn the U.S. election campaign in favor of Carter.

In Defense of the April Revolution

The lie consists of referring to the event without looking at its causes in the international context. In April 1978, a democratic, antifeudal and anti-imperialist revolution was staged in Afghanistan which borders with the Soviet Union, Iran and Pakistan. Since the first day of that revolution it was harassed by Yankee imperialism, Great Britain and the opportunistic Beijing regime which due to its frenzied anti-Sovietism, acts as the peon of the imperialist provocations in several parts of the world.

They encouraged the Pakistani reaction to serve as a support base to encourage the tribal and religious conflicts in Afghanistan and to facilitate the economic and military aid to the Afghan counterrevolutionaries. This interference by U.S. imperialism and its Beijing ally endangered the Afghan revolution which had already chosen its path of socioeconomic transformation and had established a friendship and aid agreement with its true neighboring friend, the Soviet Union.

The government of that revolution headed by Taraki was the target of a coup carried out by Amin who now has been unmasked as a CIA agent. Amin assassinated Taraki and in agreement with Yankee imperialism and Beijing and using Pakistan he began a policy of liquidating the revolution and persecuting and jailing the true revolutionaries.



It was in this situation that the forces most loyal to the April revolution overthrew traitor Amin, tried and executed him, but since the imperialist forces were on the other side of the border ready to smother the Afghab revolution in blood, Afghanistan requested the help of the Soviet Union by invoking the pact of friendship, aid and cooperation. According to article 51 of the United Nations, all countries have the sovereign right to do this. The Soviet Union, faithful to its international commitment and to its policy of helping people who struggle for freedom and above all the small and weak countries, came to Afghanistan's aid and provided military help. This aid is directed against the aggressive forces of Yankee imperialism, the Beijing provocateurs and the Pakistani reactionary interventionists. Therefore, it is not an intervention in Afghan domestic affairs as Carter has said but clear support of the aspirations of liberation of a people who have been subjected to oppression for centuries.

### A Courageous Reply

The action of the Soviet Union is not only legitimate from the viewpoint of international law but is politically just because it is a courageous, firm and determined reply to the forces which continue playing with war, which blackmail peoples in their just struggles and which have yet to learn that the world has changed, that imperialism is not omnipotent and that the socialist camp is a powerful force not only capable of defending itself and destroying the antisocialist plans of the world reaction but of defending other peoples outside the socialist world no matter how far away they are as is the case of victorious Vietnam and the Angolan, Ethiopian and now the Afghan revolution. The days of the successive victories of imperialism are over. We are living in the age of the unstoppable victory of socialism, democracy and national liberation.

### Carter Wants To Arrive at the Brink of War To Win Votes

The Afghan events have occurred at a time when the warmongering rightwing of the United States and the NATO countries has intensified its activities and when Carter is capable of taking the entire world to the brink of war to win votes for his reelection. The imperialist provocations against the Afghan revolution are not unrelated to the nuclear rearmament of West Europe, the support of Israel against the Arab peoples, the Yankee provocations against the Iranian people, the blockade against Cuba and the threats against the Nicaraguan revolution and other Central American peoples who struggle against tyrannies.

They are also linked to the sabotage which these reactionary and warmongering circles of Yankee imperialism carry out against the correct implementation of the Torrijos-Carter treaties in the path of the country's decolonization. All of these events demonstrate the aggressive, warmongering and plundering policy characteristic of Yankee imperialism and its lackeys, including the Beijing leadership. But it is evident that imperialism's desperate campaign of misinformation on Afghanistan—whose revolution destroyed the Gringo plans in the Middle East—is to try to hide the real Yankee objectives of intervening in Iran.

To us it is strange and surprising that the Panamanian representative to the United Nations, in the name of the Panamanian people--a people who have been attacked by the army of the Yankee imperialists whose government even now haggles over our national rights and violates the Torrijos-Carter treaties--has run to be in the forefront of those who shout and repeat anti-Soviet slanders, hypocritically accusing the USSR of intervention. Our attention is also drawn to the fact that this Panamanian delegate remained silent in the face of the nuclear rearmament in West Europe, disregarded the Yankee intervention in Iran and the protection given to the criminal former shah and that he did not criticize the Pakistani intervention in Afghanistan which was supported by Carter, the British Government and the Beijing leadership.

This bias reminds us of the subservience toward Washington which the oligarchic representatives practiced before 1968. This position is absolutely contrary to the militant support which General Torrijos and the Panamanian people gave to the Nicaraguan people in their struggle against tyrant Somoza. Therefore, we must declare that Mr Illueca's statements in no way express the Panamanian people's true patriotic feelings of national independence and socioeconomic change.

#### The Elder Brother Protests the Smaller Ones

The Soviet Union--and let no one be deceived--will never remain passive in the face of the aggressions of imperialism against the peoples who struggle for their liberation, democracy and socialism. Neither will it be indifferent to imperialism's war threats, its plots against world peace, such as the real Panamanian revolutionaries. That is why the Soviet military aid to defend the Afghan people in the face of the foreign threats is the real exercise of the principle of proletarian internationalism which is so dear and respected by us. We express our great joy on knowing that the fraternal Afghan people can carry out their deep revolution firmly protected by the invincible socialist forces headed by the Soviet Union.

We are also filled with joy to see that Yankee imperialism, which still continues to trample on our fatherland, has been halted in Afghanistan, suffering another irreversible defeat which thus helps our chance to culminate our national liberation struggle.

This is how the revolution for which we struggle advances in the world. The unity of the revolutionaries and the aid of proletarian internationalism is the key to the consecutive defeat of imperialism and its world of injustice and war.

Long live the Afghan revolution! Long live the fraternal Soviet support! Let us eradicate the remnants of colonialism in Panama before the year 2000.

MINISTER DISCUSSES TEACHERS' DEMANDS, DEMONSTRATION

PA131327 Panama City Televisora Nacional in Spanish 2315 GMT 12 Feb 80 PA

[Interview with Education Minister Gustavo Garcia de Paredes on 12 February 1980 by Jose Montano; no place given--recorded]

[Excerpts] [Question] Mr Minister, the teachers in Panama City staged a demonstration this morning and certain protests by the teachers have been aired either publicly or through the media. Does this mean there is a problem between the government and Panamanian teachers?

[Answer] Any such problem could be justified if the government had not met the demands of the teachers. However, the government is complying with everything to which we have agreed. Education bill will be signed by the president this week. This should satisfy many of the teachers' demands. Another demand the teachers had made was that positions be opened and that there be competition for them. This will be done as soon as we have gathered more information on this subject, and the opening of 50 positions will be announced before the end of this month.

[Question] If everything is solved between the government and teachers, do you think the problem was handled correctly or incorrectly.

[Answer] Well, I don't know if it has been handled correctly or incorrectly because that depends on the way you look at it. What I've tried to tell you is what commitments were made, which of them have been fulfilled and which are being fulfilled. Consequently, if they are being fulfilled, it doesn't matter if they are handled correctly or incorrectly. What matters is the fact that they are being fulfilled, which is what we are interested in. Therefore, this is what makes me content with our progress. We are calm at the Education Ministry because we are aware that we have been complying with each of the stages.

[Question] Mr Minister, isn't it the Education Ministry's responsibility then to transmit this same peace of mind to the restless teachers?

[Answer] We are doing this. Everytime they request a meeting with us we meet with them. We give them all kinds of explanations. These explanations are very clear to them. We have explained things several times. As a result we believe they should be content that their demands are being met.

PDP VIEWS CONFRONTATIONS WITHIN ROYO ADMINISTRATION

PA122239 Panama City ACAN in Spanish 1911 GMT 11 Feb 80 PA

[Text] Panama City, 11 Feb (ACAN-EFE)—The Panamanian communists today described the political confrontations between leftist and rightist forces that support President Aristides Royo's government as "dangerous."

Ruben Dario Souza, secretary general of the People's Party [PDP] (pro-Soviet), told ACAN-EFE that President Royo "has granted more concessions than is necessary to the rightist sectors which make up his government."

"The action departs from the original ideas of Gen Omar Torrijos, the former chief of government, on what the Panamanian revolution should be linked," he said.

The Communist Party, which has been supporting the present regime, held its sixth congress over the weekend. In it, the party outlined the creation of a "Democratic Front for National Liberation" as its immediate task.

This organization, Souza explained, would be made up of the government parties—the Democratic Revolutionary Party and the Popular Broad Front—extreme leftist groups, peasant and labor organizations, and independent sectors.

Souza listed as the main causes that he feels have contributed to a break in the harmony among the sectors which support the present regime: the annulment of the educational reform described as communist, the government refusal to repeal a law that permits the free dismissal of employees, the establishment of price increases without consulting the people, and the protection given to ousted Iranian monarch Mohammad Reza Pahlavi.

CSO: 3010



COLUMNIST PRAISES POLITICAL FREEDOM IN PANAMA

PA181614 Panama City CRITICA in Spanish 14 Feb 80 p 6 PA

[La Pluma Invitada column by Changmarin: "A Different Kind of Sunday"]

[Text] Some people insist that Panama has not changed politically. Sunday 10 February, however, was a different, if not historic Sunday. That day the reelected secretary general of the People's Party (PDP), the Panamanian Communist Party, adjourned the sixth PDP congress. When the fifth congress was held in September 1968 under an oligarchic government, the police, guns in hand, disbanded the congress which had to be continued underground. The oligarchy pompously called these methods "democratic regime." This past Sunday was a different Sunday, in a different country which—because of the present government, regardless of its limitations—has advanced and whose present democratic government is better than that which we had before.

In his speech Ruben D. Saura, secretary general of the PDP, said that we should not be content with the advances we have made against imperialism and in socioeconomic achievements, because there is a slackening, a sort of loss of speed in our progress. If this slackening is supported by the reactionary bourgeoisie it will endanger the backbone of what we call the revolutionary process.

That is why it was said in the sixth congress that the workers, peasants, middle class, the petit bourgeoisie, the military, and the nationalist bourgeoisie which favors industrialization and change, should consolidate their gains and march toward a progressive democracy.

Peasants and workers should participate more effectively in that democracy so as to make possible the socioeconomic, political and cultural changes that Panama needs in order to overcome its underdevelopment and to end the remnants of U.S. colonialism in the Canal Zone ahead of schedule.

We have advanced and the struggle continues. And while in Panama we are debating a new process, there are countries like Haiti, where terror and magic are rampant; Chile, where nothing is known of the whereabouts of

thousands of "missing" persons who were arrested and tortured by Pinochet's henchmen; Uruguay, where thousands of prisoners are being tortured and hundreds of thousands exiled; Paraguay, which until recently had prisoners who had been detained for more than 26 years; and Puerto Rico, which is demanding its independence, denied by the "democracy" of the "great nothern nation," with its 7 million unemployed. And let us not forget the fascist brutality of the Guatemalan regime and the crisis in El Salvador where people have a habit of disappearing...all this with the endorsement of the "Nobel Peace price candidate, Mr Jimmy Carter."

Sunday the 10th was also different for Panamanian reactionaries and anticommunists of all kinds. They want to return to old times. The sixth congress, however, passed resolutions based on reasonable optimism about the inevitable social progress and the revolutionary and anti-imperialist struggle. It also advocated the enlightening of the masses to prepare them for any turn that may be taken. If those who serve imperialism, abet large landholdings, backwardness, and the exploitation of the workers want to shroud Panama in the medieval darkness of Paraguay or the hardships of a country like El Salvador, the Panamanian people and their democratic forces will not allowit. It was really a different kind of Sunday.

CSO: 3010

EDITORIAL PLAYS DETRACTORS OF SEA LEVEL CANAL

PA162231 Panama City MATUTINO in Spanish 14 Feb 80 p 4A PA

[Editorial: "Hasty Judgment"]

[Text] Several local papers have reported that a group of engineers—apparently respectable and having a certain degree of professional credibility—are trying to sow doubts among the people who, sooner or later, will have to ponder the sea level canal project.

The engineers claim that the government has been deceived and "has fallen into a trap." They claim to quote the group of Japanese businessmen who visited our country.

The engineers also say it is absolutely false that the present Panama Canal is obsolete. Any project to replace it, therefore, is a senseless and unjustified expense.

Let us analyze how obsolete the present canal with locks is. We must point out that the recent Japanese visitors are not the first or the only ones who have said the canal is obsolete. Reports by highly qualified scientific commissions state that the present canal's days are numbered.

Even without these reports, the truth is that many ships are too wide to go through the Panama Canal's locks.

Now, however, because of the statements made by these Panamanian engineers who, based on their top-level professional status and their worldwide experience, say the canal can continue to operate efficiently forever and ever without any changes, the American, German, British, Japanese and other engineers will have to retract their words.

Regarding statements that the government has been deceived, we should point out that the present administration has proved that it is extremely cautious when dealing the feasibility, advisability, and profitability of any project, from the economic ecological, social and political viewpoint. The president

has been accused of being prone to making a prior analysis of any project that he undertakes, which contradicts what the engineers say about the government being deceived.

Perhaps these engineers are not aware that the Japanese are discussing conducting feasibility studies. Not a single shovel or pickax will be raised until the country is completely sure that the proposed canal satisfies Panama's present and future demands.

These engineers, who have used hasty judgment, would do well to show more respect for themselves and their profession, so as not to discredit themselves and others by making such senseless, infantile statements that cannot be taken seriously and lack professionalism.

Having no achievements to attest to their prestige, they should at least not discredit themselves with such unprofessional statements.

CSO: 3010



BRIEFS

'RED AGITATION' IN INTERIOR--Red "agitation" continues throughout the interior and has chosen as its "target" the vulnerable unions of Cocle, where there is a massive concentration of workers and peasants who in the past suffered many injustices due to the lack of social sensitivity of certain inhuman employers. But the incredible thing about this campaign promoted by leftist agitators resident in Panama and Colon is the fact that these "personages" arrive in Cocle as representatives of the Democratic Revolutionary Party and, paradoxically, turn into unofficial agents of the wave of strikes, work stoppages, picketings, threats, intimidations and collective panic that currently prevails in the interior, where the humble people just want to work and receive all the facilities and guarantees necessary to earn money to support their families while leading decent, honest and honorable lives.

[Text] [PA131558 Panama City CRITICA in Spanish 18 Feb 80 p 13 PA]

CSO: 3010

## REPORTAGE PROBES POLICY CHANGE REGARDING DAILIES

Lima CARETAS in Spanish 14 Jan 80 pp 25-29

[Text] With the recent occupation of CORREO and OJO as a result of abuses by some managers, the financial and journalistic disaster of the socialized press reached a dramatic height. Now we have learned from a confidential source that EL COMERCIO is also reportedly operating in the red; an audit conducted on 31 December 1978 supposedly found a deficit of 64,984,344,000 soles. While the coffers are running dry and some are getting fat, the military government has decided not to return the newspapers, and to let the next government worry about the problem. Why such an abrupt change? CARETAS has reconstructed the facts and compared stories, and here is the result:

On 7 December 1979 at 1830 hours, four enthusiastic former owners of newspapers left the office of the president of the republic convinced that the latter of the daily newspapers had been resolved.

Their confidence was not groundless. That had been their second conversation at the national palace, the first having taken place on 29 November, and the chief of the military government had been especially receptive and cordial.

It was not just a matter of good manners, either; it was a question of coherence. In fact, Morales Bermudes himself had committed himself last May when he admitted that the confiscation of the newspapers had been "the most serious error" committed by the Revolution; and weeks later, when he acknowledged that because the expropriation had not technically taken place, the owners "were still the owners."

The contacts had started on that basis, and were stimulated considerably when the leader announced that 5 December would be D Day. A change in dates suggested by the Advisory Committee of the Presidency (COAP) moved the day in question to 31 December.

That afternoon of the 7th the president had begun the meeting by saying that, perhaps due to a lack of time, the solution could in the worst of cases be

put off a month. Alejandro Miro Quesada, of EL COMERCIO, had expressed his concern at this prospect.

"One more month is a month of economic ruin for the businesses," the representative of the La Rifa paper reportedly said.

It was Miro Quesada himself who, after Gen Morales Bermudez' first words, made a proposal on behalf of Juan Zagarra Russo, Enrique Agois and Manuel Ulloa. The so-called "integral proposal" consisted of six points, and was in response to the president's request for a "viable solution."

"At the first meeting, in November, the president mentioned that idea of a 'viable solution' about three times," recalled someone at the meeting.

The proposal mentioned giving "an important share" of company assets to workers, "starting with the return," and indicated the scope of the co-ownership: 33.33 percent in employee-owned stocks, and 6.67 percent in common stock. With regard to one of the most delicate issues, the memo read by Miro Quesada referred to the need to obtain "the power to reorganize personnel and to suspend the stability of labor in accordance with the precedent set by the government itself."

Morales Bermudez, who was accompanied by his personal secretary, Luis Machiavella, and by the head of COAP, Gen Carlos Quevedo, listened to the reading attentively.

"The problem of labor stability is a political problem," the leader reportedly said, expressing concern.

"And one of justice," added Alejandro Miro Quesada: because the optimum solution would be to make it retroactive to 1974.

"Now I see where you're heading," the president responded.

Miro Quesada mentioned the case of the 100 EL COMERCIO workers who were let go in July 1974, and contrasted that with the amount of time those rights had been in effect.

According to witnesses, that was the only point of disagreement. Morales Bermudez did not object at any time to the ownership proposal.

Despite the lively dialog about the problem of labor stability, at the end there was a conciliatory note, after which Agois and Ulloa stressed "positions of trust, which should necessarily be filled by new people." The president seemed to fully accept the new interpretation.

At the end, Morales Bermudez announced that he would spend the weekend studying the point to be resolved, and that "in any case" he would let them know "next Thursday or Friday."

"He even told us, on parting, 'See you later,'" says one of those who were present.

Here is where the mystery begins.

The week goes by and there is no call. Soon an overt campaign begins in the controlled daily press. Pronouncements come and go, trying to create an atmosphere of opposition to the return of the newspapers through union communiques. Later, the representatives of the EL COMERCIO union leave the Government Palace quite satisfied: the president has told them that no matter what the solution to the newspaper problem, "full labor stability will be respected."

It was at that time that, having lost all contact and feeling they had been blatantly snubbed, the former newspaper owners made a public statement that was quite bitter and blunt, warning that they considered labor stability "a worker right subject to the efficiency and rationalization of businesses for recovering economic solvency" and that those who "have prospered and plundered at the newspapers without any merit or title different from that of the one who granted them a political appointment. . ." cannot enjoy that right.

The communique, which appeared in all newspapers, was answered on 31 December by the president. At the usually frivolous New Year celebration of the Diplomatic Corps, Morales Bermudez used a question asked by the Austrian ambassador as an opportunity to take full charge and announced, in a 180-degree turnabout, that "now we see no immediate solution to the newspaper problem." The chief of the military government made mention of two unresolved issues: labor stability, and--surprisingly--the co-ownership formula, which "should include a provision of 40 percent of capital stock for the workers."

The president concluded by throwing out the window a series of negotiations that had made stunning progress, and that the official press had praised.

"What can have happened?" one of the former owners wonders out loud to CARETAS. "Why didn't the president even call us back?" he went on.

CARETAS learned from reliable sources that after the conversation at the palace on 7 December, a meeting of major generals convened at the "Little Pentagon" reportedly voted on the newspaper matter, and the consensus was against returning them.

The reasons for this vary wildly, some of them being extremely pessimistic.

It is said that the basis for this divisive and decisive "no" was: a) to head off the first step of a total dismantlement of the reforms; and b) to prevent possible harsh criticism of the military by the daily press, always anxious to dig up scandals and stimulate competition. This logic is based



on Morales Bermudez' and his team's strategic withdrawal plan which was drawn up some time ago: an honorable withdrawal, with no upheavals, under peaceful circumstances, not defeat.

"The military is certain that we would tear them apart, and they don't know how wrong they are," laments one former owner.

But there are those who go even further, and assume the worst:

"Not returning the newspapers," they say, "means the possibility of a third phase. The reasoning would be as follows: if we felt the need to stay in power, what would we do with the press? Would we expropriate it again? Wouldn't it be better to leave it as is, just in case?"

"We are disorganized," said one of the four people who attended the fruitful meeting of 7 December, summing up the situation for CARETAS.

"Do you still expect to be called?" we asked.

"Less and less each day," he responded.

8926

CSO: 3010

MANUEL ULLOA INTERVIEWED ON DAILIES' RETURN

Lima CARETAS in Spanish 14 Jan 80 pp 29-32

[Interview with Manuel Ulloa, former owner of EXPRESO, by Cesar Hildebrandt, time and place not given]

[Text] [Question] What happened, Mr Ulloa? Why was the plan blown up before it even got off the ground? The return of the dailies seemed imminent at one point; then came this unfortunate communique signed by you, and now the government seems to have backed out on the deal for good. Could you tell us what happened?

[Answer] Well the itinerary of this plan began with the confiscations of 1970 and 1974, followed by the frustrated attempt at socialisation, which led to blatant co-optation. The culmination was when the president himself admitted publicly that the so-called expropriation of the newspapers was the most serious error committed by the military government. It was after that moment, when the formula of selling newspaper stock on the stock market also failed, that the contacts began. . . .

[Question] With the president?

[Answer] With the president, with Gen Quevedo and with Gen Morales' private secretary, Mr Machiavello. In those talks, the president insisted that the most important thing was to find a viable formula which would find a political solution to the problem and at the same time take into account the legitimate interests of the workers and of journalists. We offered to give the president a formula that would take his viewpoints into consideration along with the most important aspects of our proposals, that is, the predominance of the owners in the management of the newspapers.

[Question] If there was such a solid basis for dialog, according to you, then why did everything fall apart?

[Answer] I am as perplexed as you are. When we presented the proposal to him and summed it up in a conversation with him, we had the impression that the president considered the matter of co-ownership to be resolved. And I

remember that he recommended that we bear in mind how delicate an issue there was in the problem of labor stability, something we had regarded in the same light as the government did when it successively suspended labor stability in 1970, 1974, 1975 and 1976. Our dialog was so positive that the president told us we would meet again the following week, Thursday or Friday. . . .

[Question] Was the conversation not held on 28 December by coincidence?

[Answer] No, although some feared that. In any case, the president seemed firmly resolved to have this worked out by 31 December.

[Question] Fine, but you still haven't answered my first question. How do you explain this failure? What happened?

[Answer] Well, common sense tells me that in this case there was some discrepancy between the president's objective and the thinking or decision of the military leaders. I think they didn't coordinate everything in great detail. . . .

[Question] And Morales had the rug pulled out from under him. . . ?

[Answer] If you want to call it that. . . . I think that when it came time to have the necessary consultation with the Board of Commanders the president may have been persuaded that perhaps it wasn't the appropriate time to return the newspapers, that it would be best to delay it until after the elections so that the next government could solve the problem. That is, to be specific: there was a center of power, or a final authority, that was not consulted in time, and that finally expressed its disapproval of the manner in which the negotiations were being carried out.

[Question] Don't you think that in the government's turnabout it was influenced somehow by the statement by the former owners declaring their vengeful intention of carrying out a massive purge of the newspapers?

[Answer] No, because that statement was not directed at the government, which knew our position in detail and therefore could not be surprised. . . That communique was directed at two ends: to pacify Armando Villanueva, who had expressed his concern that the return of the newspapers could mean the development of an anti-APRA campaign; and since that wasn't true. . .

[Question] What do you mean, it wasn't true?

[Answer] I mean that there was no such intention, there was no anti-APRA attitude, as Villanueva imagined. . . .

[Question] Do you think EL COMERCIO, once returned, will no longer refer to APRA in lower case letters, will no longer report on its doings on the crime pages, as it did for so many years, with such fervor, and so much support?

[Answer] I daresay that will be the case. I have heard the Miro Quesadas express that opinion. That is, that the newspaper will be open to all political tendencies, and that there will be no problem with APRA's participation in the election. This commitment to plurality has been made by all us owners.

[Question] Okay, and what was the second objective of that communique?

[Answer] To state that we considered labor stability within the context of the precedent set by this very government. We certainly do believe that those who came in on political appointments, not professional merits, should not remain on the papers. . . .

[Question] How many people do you expect to can if you get EXPRESO back, Mr Ulloa?

[Answer] We think that in the case of EXPRESO, which has doubled its payroll since 1970, and has substantially shrunk in circulation, we are talking about 10 or 15 percent. At any rate, our purpose was to make the government act simply as an arbiter in this matter of labor stability. But we wanted something more important: that any measure of this nature be carried out with the consultation and approval of the unions.

[Question] So one of the first steps you would take would be to cold bloodedly behead the union leadership? Because it is well known to all that the newspaper unions are against the return of the dailies to their former owners. . .

[Answer] That is not the case with LA PRENSA. . . .

[Question] What do you mean it isn't? Here is this communique signed by the Union of LA PRENSA Journalists and Employees, and what it says is very clear. It is the LA PRENSA labor community that has come out in favor of the return of the newspapers.

[Answer] If I am not mistaken, the LA PRENSA labor community represents 80 percent of its workers. . . .

[Question] Perhaps, but we were talking about beheading certain leaders. Here is a communique against the return of the newspapers, signed by the unions of EXPRESO and EXTRA, CORREO, OJO, EL COMERCIO, . . . .

[Answer] It would not be the first time that the unions did not have the support they claim to have. We know that in the case of EXPRESO that has happened several times. On more than one occasion there have even been parallel organizations within the businesses. So I don't know how much backing these unions have; I don't know to what extent they are being manipulated. . . .

[Question] So you don't know. . . .



[Answer] I tell you, I don't know if they are being taken over by small groups that do not represent all the personnel. In any case, we are willing to run the risk of seeking an understanding with the true representatives of the workers. We were certainly not going to be the ones to decapitate the union. It would be the union members who would have to elect new leaders.

[Question] Under your paternal guidance, of course. . . .

[Answer] We do not want to be paternalistic. On the other hand, there has been no paternalism worse than that of the government towards the dailies. What I would like to say is that we are aware that many people who came on the papers after they were confiscated are valuable people who should be respected. What we cannot accept is for people without professional merit to have the same rights as the real workers and journalists. That would run counter to our idea of running efficient, journalistically independent operations. . . .

[Question] Independent, did you say?

[Answer] Yes, independent. Why do you doubt it?

[Question] You ask me why I doubt it? Aren't you a conspicuous leader of Popular Action, a member of its executive committee?

[Answer] And I was in 1968. . . .

[Question] Sure, and EXPRESO was a populist paper. . . .

[Answer] No . . . .

[Question] What do you mean no? Our memory is not so underdeveloped, Mr Ulloa. EXPRESO was populist, with every right, of course.

[Answer] EXPRESO had a political opinion that opposed a series of situations which arose at that time. . . . EXPRESO was against the coup, as were those who had originally applauded the revolutionary movement. . . .

[Question] Are you referring to EL COMERCIO?

[Answer] I am not referring to anyone in particular. . . . And not because it opposed the coup can it be said that EXPRESO was populist. The newspaper was run by a group of journalists who had no ties with Popular Action, who had a long record of activities independent of journalism. And the Belaunde government on more than one occasion expressed serious disagreement with EXPRESO because it attacked some government actions. I do not believe that the success of EXPRESO would have been so great if it had been a populist organ. EXPRESO was not at the beck and call of whatever government was in power. . . .

[Question] Of course not. EXPRESO was always coherent; that is, it was born populist, maintained its populism and will always be populist. No one is talking of opportunism here.

[Answer] Anyway, EXPRESO always took its stands independently, free from pressure. If the team that led it arrived at some conclusions, it was because that was the way they felt, not because anyone imposed it on them. But the newspapers general tendency was independent. I would also like to say that in the event that the return is carried out, I would not participate in the control, administration or management of the news or editorial sections. . . .

[Question] Let's get it straight: You would concern yourself "only with ownership. . . ."

[Answer] Part of ownership. Because before it was confiscated EXPRESO had already begun what now seems to be a general trend: co-ownership. And we had already distributed stocks among our main journalists. Calderon, Miglio, D'Ornellas, Cortes Nunez, all were stockholders in EXPRESO in 1970.

[Question] You know, not just theoretically but also empirically, that the press means power. Would you deny Popular Action, your party, the possibility of counting on the support of a newspaper during the upcoming months of the campaign? Do you really expect me to believe that?

[Answer] EXPRESO would be open to all parties. I do not believe that Popular Action needs privileged treatment from a newspaper to have the political presence it has in Peru today.

[Question] Very well, let's say that EXPRESO'S independence with regard to Popular Action will last as long as the presence of Javier Alva Orlandini in the party. What do you think of that?

[Answer] That's absurd. Javier Alva has been and will be a distinguished member of Popular Action.

[Question] And EXPRESO would also be independent from your own business?

[Answer] I see no reason why my private activities should have anything to do with the newspaper's position. . . .

[Question] I see no reason why they shouldn't. . . .

[Answer] I have already told you that I would remain on the sidelines in the management of the newspaper. On the other hand, I have no interests that need to be defended, nor do I have the slightest desire to confuse EXPRESO with them. . . .

[Question] There is a lot of talk now about co-opting the newspapers, which has reached a repulsive point. Why don't we talk a little about the press

before the expropriation? Even EXPRESO fought against that press to a certain extent. Why don't we talk about the latifundist, reactionary LA PRENSA, the sectarian EL COMERCIO?

[Answer] There is no doubt that among the papers that were confiscated, and among their owners, of course there are differences. Differences of goals, differences of viewpoint in terms of the country and its future, differences of opinion in general. But I believe that the experience of recent years has served fundamentally to correct the errors and the approaches. I am totally convinced that there is a great degree of willingness to establish a press which is open to the country's interests, and objective towards all political tendencies. . . .

[Question] You believe, then, that the history of LA PRENSA and EL COMERCIO will not be repeated by encouraging a coup such as the Odria coup?

[Answer] I hope not. I am sure it won't.

[Question] So coups teach us a lesson. . . .

[Answer] Not just coups. . . . We must understand that many of these attitudes were the result of circumstances in which passion played a decisive role, and it was not a matter of judging with today's hindsight the errors many people were responsible for in the past. . . .

[Question] I wasn't speaking only about the past. In 1974, 39 years after the barbarous assassination of Antonio Miro Quesada, EL COMERCIO continued to treat APRA with absolute disregard for any objectivity. . . .

[Answer] But now you can hear the Miro Quesadas formally announce that EL COMERCIO will not repeat that error.

[Question] Fine, and what can the left expect of the returned press, Mr Ulloa?

[Answer] Fair treatment, I guarantee it.

[Question] Do you think you're Santa Claus?

[Answer] Why do you ask me that?

[Question] Because it looks as if you would like to make a somewhat belated Christmas. I am referring to your assertion that everything will be perfect; people will be fired only at the request of the workers themselves; EL COMERCIO will not deny APRA; the left will be treated fairly. Doesn't this seem exaggerated to you?

[Answer] No, because only the errors of the past and the magnitude of today's errors can make these objectives difficult or doubtful for you. As I have said, there is a true desire to overcome problems and make the press responsive to the needs of the country.

[Question] Moving on to something else, do you believe, finally, that the return will take place before the elections?

[Answer] At the rate things are going, frankly I am skeptical. The problem is that basic logic tells us that this skepticism could legitimately spread.

[Question] Did you mean that the transfer of power is in jeopardy?

[Answer] To say the least, it is already seriously disturbed. How can we expect free and clean elections when the government manipulates the press, television and most radio stations at will?

[Question] But APRA does not share the same opinion as Popular Action or the Popular Christian Party (PPC).

[Answer] Evidently. Armando Villanueva has publicly supported the postponement of the solution to the problem of the confiscated press.

[Question] Do you believe there is a conspiracy involved?

[Answer] I don't know about a conspiracy, but there is certainly a significant coincidence.

[Question] Belaunde should voice his complaint at the next meeting he has with government spokesmen. . . .

[Answer] I don't know if there will be a next meeting, but here it is not a matter of complaints but of principles.

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## GARCIA BEDOYA VIEWS STATE OF NATION SINCE 1968

Lima CARETAS in Spanish 14 Jan 80 pp 42-45, 56A

[Article by Carlos Garcia Bedoya]

[Text] (Peru is a nation of lost opportunities, according to Jorge Basadre, as the author of this article reminds us. It is also a nation of political cannibalism and of wasted and absentee talents, adds CARETAS. For this reason, among many others, the magazine invited Carlos Garcia Bedoya, 54, foreign minister until November and a diplomat with a brilliant career and international reputation, to give us an overview of the current political picture and a forecast of what will happen in the coming decade. Garcia Bedoya's departure from the foreign ministry was surrounded by wild speculation, and his confession of a perfectly legitimate aspiration to play some political role in the future gave rise to many comments, some very negative. However, CARETAS has learned that Garcia Bedoya's resignation, far from being a military maneuver, mortified the government. In the final analysis, if the desire for permanence in the palace predominated, it would not be personified in a civilian. Among the party and political affiliations of the moment, Garcia Bedoya's vision is therefore independent, and although CARETAS is not necessarily in agreement with everything he says--particularly with regard to the press and the dailies--it considers his analysis to be of great interest. Here is the result of the "sometimes dazzling and sometimes depressing exercise" which Garcia Bedoya undertook.)

In October 1968 a 20-year-old system was interrupted. The system had been structured when the conspiracy of the "agrarians" triumphed in Peru in 1948. The conservative militarism of the time, allied with civilian instigators, took advantage of the contradictions of the newborn social democracy of 1945 and replaced it with a reactionary political-economic model. Years later, an important reform effort was distorted and thwarted by the very nature of the system within which it operated, and by the real inability to change the status quo to any significant degree. During those same years, one of the nation's great political parties was inevitably dragged into doubtful understandings by the dynamic force of the reigning system. That system went unopposed by any revolutionary or democratic government alternative. The exercise of democratic freedoms and the economic growth rates that were so

significant during some periods could not hide the objective reality of a society oppressed by the predominance of a traditional oligarchy engaged in a last-ditch attempt to survive, in the years following 1948. The success of the 1948 conspiracy was prolonged for 20 years in the country's institutional life, thus proving the wisdom of its promoters in defending its interests, and freezing the possibility of profound, democratic change in Peru. After hanging on for two decades, it gave way to the revolutionary experience of the military regime.

#### Destruction of Traditional Status Quo

The political process led by the armed forces has been an attempt to modify to a significant degree the status quo preserved during those 20 years. The very nature of the experiment, with the inevitable limitations and arbitrariness of the military management of politics, has allowed the achievement of only part of the objectives of a revolutionary process: changing the traditional power structures and establishing a new political program for the country.

The so-called Peruvian revolution has only managed to meet part of its goals: the modification of certain structures. It has been unable to articulate its concept and leadership of a new political-economic model for Peru, and has therefore left it open to civilian response. We are not trying now to engage in a critical examination of the revolutionary process, of its failures or successes; we only want to appreciate the current political situation in Peru, based on what appears to be a new power structure in the country. It will be necessary to draw up a political proposal that responds to this new situation.

#### Power Structure: Traditional Factors

Certain key factors of power in Peru have suffered obvious changes in the last 11 years. The agrarian oligarchy has been clearly displaced from its traditional position as a source of political power in Peru. Agrarian reform and the nationalization of foreign trade and of a considerable number of banks, have been the basic reasons for this decisive displacement.

The armed forces themselves emerge at the end of the military revolution with different characteristics. On the one hand, it is evident that there has been a considerable loss of prestige because of the cumbersome and controversial administration of the country; on the other hand, despite the temptation of repression and the survival of some conservative and even reactionary elements that still are harbored by some members of the armed forces, a considerable majority of its cadres have taken on social change as a mission to which all military institutions are committed. This loss of prestige and this commitment are a contradictory legacy to the military which transforms the nature of its presence as a factor of power in Peruvian society.

At the end of the military revolution the Church also seems to have a different image, and at the same time a different reality. The Church officially accepted the social reforms promoted by the government; along with them, it took on, for certain sectors, a good part of the military government's liabilities. However, it is evident that different positions live together within the Church; one of them tries to carry the social reform policy to its maximum extreme, while the other tries to contain the radicalization that could well lead the Peruvian Church into irreversible commitments to political sectors that are philosophically opposed to the Church's teachings. In political terms, the traditional power of the Church in Peru is also altered as a consequence of the revolutionary process.

The daily papers, some in particular, until 1974 were a source of power in Peruvian society. The modification of the status of the national newspapers imposed by the revolution, has played a decisive role. What used to be a strong presence by certain economic, political or personal interests, disappeared from the scene in Peru and gave way to an experience which did not meet the initial expectations, and which has become simply an undesirable system of disseminating information, a symbol of plunder. But these facts do not alter the very essence of the problem: the traditional press organs are no longer a factor of real power in Peru. The final decision about the newspapers will determine the appearance of a new expression of power.

Another major factor of power in the past, foreign investment, mainly by Americans, has also undergone important structural changes due particularly to the resolution of pending problems.

The hegemonic action of American capital and the consequent, inevitable official predominance of the United States in the nation's political life in support of the interests of its nationals, have declined in recent years in comparison with the considerable weight they had in the not-so-distant past. The current pluralism of foreign investment in the country, along with the strengthening of the state apparatus, are also new factors which qualitatively alter something which was an expression of traditional power in Peru. This fact should be useful in understanding the scope of the anti-imperialist struggle in a country such as Peru, both internally as well as internationally.

#### Power Structure: Nontraditional Factors

Along with these specific facts, which indicate fundamental changes in the traditional power structure of Peru, other facts which point up the presence of new power factors in our country are worthy of mention. These nascent forms of power in today's Peru are determined by some aspects of Peru's development and by the nature of its economic process. A powerful and active management sector would seem to be taking shape in Peru, which would have possible implications in terms of a national bourgeoisie. The vigorous behavior of that sector requires certain advantages derived from the management of the economic process by the military government, as well as the staying power of its members in the face of various policies considered by that



sector to be negative, and in view of the attempt to undermine and eliminate that sector.

Furthermore, the need to deal with the enormous and complicated role the state is now playing has given rise to the establishment and consolidation of a technocracy that can to a great extent manipulate the state apparatus. This technocracy has been learning from its considerable mistakes and from the obvious distortions resulting from the nature of the military regime's administration of the state. This technocratic elite, although not in control of all areas of activity, has proven to be efficient and competent in some very significant activities. It is evident that today this elite is a nascent power factor in Peru, having arisen from the changes that have taken place in an unprecedented experience for the nation.

Two new factors of power whose influence on Peruvian society has been heightened in recent years, are the labor movement and the peasant movement. In the first case, a major role is played by the labor sectors that are growing in strength after cutting their teeth on the struggle resulting from the economic crisis. The link of the main union organization with a political party has not been complete, which has obliged political interests to nurture the increasing class homogeneity of the workers. For its part, the peasant movement has been consolidating itself as a mouthpiece for its own interests; although it is not yet an integrated organization, it is obvious that the nation's peasants have begun an irreversible march towards a special and important position in Peruvian life. There is no doubt that this marks the beginning of a new and overwhelming expression of power on the national scene.

The peculiar characteristics of the nation's socio-economic development have given rise to the insurgence of two non-traditional power factors, paradoxically resulting from a marginal economy, independent of the official economy, which has created its own mechanisms and *modus operandi*: the economic life of the new towns and the explosion of street vending. The resident of a new town, the street vendor and the world and interests that surround them, have recently acquired a nature and a presence in the large cities that make them important nascent or larval forms of power.

#### Domestic Power and International Relations

Just as the structure of power in Peruvian society has undergone profound changes as a result of the elimination of the traditional factors of power, the mutation of others and the appearance of new ones, so have the official concept of international politics and the basic features of the nation's foreign policy undergone similar substantive changes. In addition, international society has changed dramatically, and Latin America has a new outlook for possible future participation in world politics.

Peru seems to have made a drastic change in its international position, coming up with a new perception of its national interests in the future, without ignoring the persistence of important traditional problems.



The new perspective of the world political scene and the role it gives to countries such as Peru mean that it is inevitable that the national political mentality must be reconciled with a reality whose correct handling could be decisive for the country's future. As a consequence, the urgent need to adapt to change and the inevitable interaction between domestic and international problems, are unavoidable. We must understand that the international situation in our times is intrinsic to our national destiny. For this reason we must regard the external environment as an increasing challenge to us, from which we can derive the necessary political resources for the growth of our own power; or if the wrong actions are taken, great risks will derive from that environment, not only for the Peruvian development process but also for our very national identity, and finally our destiny.

#### Development and Economic Prospects

The preliminary characteristics assigned to Peru's current political problem give rise to reflection on how to approach a model for the country's development.

We are not trying to describe how that model should be, just to note that the next decade should not be a time of experimentation and exploration for Peru. There must be a considerable effort, not to take the ideological aspects away from the national development process, but to prevent excessive ideology from impeding or enervating the process to the extent that it will be paralyzed or dangerously retarded. We must adopt an austere, simple and effective model, within the context of a policy of coordination with an intensification of high priority social projects (food, health and education), and elimination of the bureaucracy in the state control of the system of production, in the private and public sectors alike. This two-fold objective provides, on the one hand, inflexible persistence of a policy of social reform and reorganization of economic structures, and on the other hand an extensive stimulus to the country's productive sectors, within which the appropriate encouragement of the private sector acquires a priority similar to that of strengthening the state as a regulatory and promotional agency.

But in the immediate term, we must make a serious and systematic effort in the coming weeks to determine the true dimension and prospects of the national economy. There are indications already of a slow but steady recovery in important areas of national economic life. If those predictions are correct, we must be especially careful in the treatment of the economic issue within the political context of an electoral debate. The recuperation process is very sensitive, and we must guard against certain statements made in the heat of the political debate which might lead to government commitments that could seriously disturb the economic recovery desired by all, for which the Peruvian people have already made so many sacrifices. The economic situation is such that it demands not only special care in discussing economic issues, but also very special treatment of the men in charge of the process.

The Peruvian government in recent years has developed increasing power as a basic economic entity in the nation's life. This fact has given rise to an important, well-trained technocratic elite whose participation in the economic leadership of the nation has been important. We must preserve that human capital, which was acquired by the country at the cost of both money and mistakes, to be sure. But now it is there, and it would be dangerous to throw away an extensive and important technocracy whose role will be vital, because of an overestimation of human resources, or insufficient knowledge of the present situation in Peru, or simply because of frustration and a desire for revenge.

#### New Challenge to Peruvians

All this is a powerful social and political incentive. In view of this far-reaching and complex reality, the traditional political parties have been left intact by the military revolution process. Their structure, their leadership, and--what is more touchy, at least until now--their ideology and political style, have still to prove that they have taken on the challenge that now faces Peru, in all its stimulating aspects. Sometimes we have the impression that the masses are being encouraged to believe that the mere act of transferring power to a new democratically elected government will be the magic step to immediately open the floodgates of well-being and full liberties and human rights for the people of Peru. Such is not the case, of course, and therefore before inviting the citizens to participate in a traditional electoral debate, with tours throughout the provinces and rallies in the central plazas, we must instigate a large-scale national debate on what Peru is now, and particularly on the future which the political organizations propose to bring about. The national electorate must rid itself not only of its belief that this is just one more election, but also of its tendency towards apathy and dissatisfaction that cannot be expressed articulately, but that evidently exists in various sectors, while it waits for a proposal to come along which will correctly interpret the historical moment that is emerging in Peru.

There is the correct impression that something serious and complex has been born in Peru in recent years. A traditional approach to this new situation, out of step or utopian, could have serious repercussions in the country. The birth of a new decade should be accepted as a decisive challenge for the building of Peru, not as a pedestrian and ordinary passage of time in which the Peruvian people are confronted with an electoral process whose principal protagonist is not really Peru. No one should have the impression that this will be a routine election. The fact is that at the end of the Revolutionary Government, after long years of profound and real changes in the nation, in addition to a far-reaching modification of the traditional power structures, there is an important question to be resolved; both in the political sphere and in the establishment of an economic and social development model, much remains to be done.

It has oft been repeated that Peru is a nation of lost opportunities. There is probably a lot of tragic truth in that statement. But aside from this

repeated national frustration, it is obvious that Peru, like healthy trees, is maturing and growing. There is a historical force in the country that has permitted and will continue to permit it to regain its footing.

However, often that effort has only allowed it to resume its progress, not to rescue the lost opportunity. Despite all the defeatism and all the discouragement as a result of fatigue or of crisis, there is reason to believe that a new opportunity may be opening up for Peru.

The changes that have taken place in Peruvian society are an important consideration that cannot be ignored. Thus, while accelerating the rate of change and establishing a natural channel for the expression of social tension, we have been able to train broad sectors of the population in a double exercise: for some, to survive a deep socio-economic convulsion, and for others, to learn to find new grounds for presenting demands and claims in a more propitious setting. Besides that, a recovering economy in the context of substantially new structures, as well as a general, underlying, quiet impulse toward the adoption in this country of a new social message and a new democratic destiny, would seem to indicate that this double trend, and the mobilization of the citizenry towards a national goal, make it possible to expect a qualitative change in Peruvian life in the medium term.

#### A New Decade

We are justified in thinking that the domestic and international prospects of a country that has matured, suffered and learned a lesson, are broader and more promising than what is commonly believed. If this is so, the decade that is beginning for Peru should be based on national affirmation and social progress. We must be alert and vigilant. The new country that is emerging after 11 years of controversy and creativity should be given the opportunity not to lose a new opportunity. If old recipes from the past are presented in a deeply changed situation to a nation of youths, the latter will have lost all viability and all respect, as a generation and as leaders. It is not possible to be unintentional or inadvertent accomplices in a new conspiracy. Although this is not a conspiracy for a coup, it is a perniciously psychological conspiracy which, in a manner different from that of 1948, still might end up serving the interests of the reactionaries, just as in 1948. . . . On the contrary, during the eighties, now that the Peruvian revolutionary experience has come to a close, Peruvians must set about creating their own future.

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## MID-LEVEL OFFICERS DISCUSS POLITICAL ROLE OF MILITARY

Lima CARETAS in Spanish 14 Jan 80 pp 46-49

[Text] Romantic democrats of liberal descent believe that the Latin American military should return (was it ever there?) to its old position as a non-deliberating institution, subject to civilian power.

Dogmatic Marxists believe that the military forces are still at the head of "the repressive apparatus of the bourgeois state," that is, simple tools of the dominant classes.

Aside from these ideological or fantastic visions, the flesh and blood armed forces are and have been the principal actors on the regional political stage. At the same time, they have cultivated an increasing technical autonomy which has been translated into ideological, and therefore to truly classist, concerns.

Thus, some military organisations have become highly complex entities, blessed with a modern techobureaucracy, with increasingly powerful and sophisticated weapons, and with an economy that is largely secret. Established for the purpose of regulating the lives of thousands of men, controlling everything from the length and style of mustaches to the manner of responding to the enemy, they have the potential to govern the nation's daily life and its treasury, without having to be accountable to anyone in terms of strategy.

Paraphrasing a leftist slogan, it can be said that "a military united shall never be defeated." And there is no point in comparing a well-developed army with Somoza's National Guard or with Batista's praetorian army.

American experts, aware of this situation, have studied the military in this part of the world in great detail. A well-known report commissioned by then-Governor Nelson Rockefeller in 1969 contained a diagnosis and prognosis for the military of the seventies, based on the fact that they were "the most powerful political group."



Undoubtedly the wisdom contained in that report justifies updating it, or undertaking new studies to predict the behavior of the armed forces during the eighties.

CARETAS has decided to look into the matter in an objective manner. For that purpose it had many conversations, especially in the middle level of military officers, in order to obtain opinions that were not necessarily those of certain "political" elites of the armed institutes.

The result is a document which, for the reader's benefit, has been structured like an interview. The answers have been written freely, but they are true to the opinions expressed. Their unadorned content is of singular importance not only to Peru.

The Peruvian military, following a continent-wide trend, continues to progress towards the legitimization of its political role, to mistrust civilian politicians, and to gain inspiration more from its own doctrines than from political constitutions.

In other words, it is not a question of finding out if the armed forces are going to intervene or not in this decade; it is a question of how and in what format will they do so.

[Question] The Latin American armed forces seem to have legitimized their permanent intervention, often as an institutional government, in order to "restructure society." Do you think the task has been completed in Peru?

[Answer] The armed forces are guided by doctrines of national security and defense. Their basic mission is to preserve the essence of the established order and to modernize it with important changes, even if these changes are of different and even opposing ideologies, as in the case of Velasco and Pinochet.

The national objectives are, without a doubt, determined by the armed forces themselves; the latter establish their own objectives, as in the Tupac Amaru Plan. The Peruvian military does not feel that the restructuring of national society has been completed, and in official statements it has indicated that the government's goals will have been completely achieved by July. What remains to be done is the so-called "political project" and, even more so, the "national project."

[Question] Can it definitely be concluded, then, that the armed forces are guided by their military doctrines and not by political constitutions, and that in fact they are the guardians of national politics?

[Answer] The praxis and ideology of the armed forces are based more on national security and defense than on constitutional and legal norms. There lies the sum of the beliefs and attitudes that express their social conscience. The various forms of interventionism are based on defense--against external or internal threats--and become a macropolitical guardianship. Of course

almost all the constitutions on the continent, such as that of Peru written in 1979, allow for the existence of national defense "systems" during wartime and peacetime alike, which make room for military "arbitration."

[Question] Alfred Stepan, an American expert on military matters who has studied the Brazilian situation, says that the widespread trend towards the market economy that is being seen now constitutes a "historical exception to Latin American military thought," which used to be statist. What is the current position of the Peruvian military on this issue?

[Answer] The definition of integral security used by the military institutes of Peru includes actions in the economic, social, political and military spheres that involve the well-being of the population and the development of the nation. To date it has been generally agreed that the market economy is a natural phenomenon which can be perfected through planning and corrective intervention by the state. This takes the Peruvian military away from extremely conservative positions and brings it to the planning of short-, medium- and long-term goals.

[Question] What are the Peruvian armed forces' specific security goals for the coming decade?

[Answer] For reasons of national defense rather than development, rapprochement with Brazil responds to a pragmatic concept of the economic and social importance of that country--which makes the Amazon Pact convenient, for example--and to a desire to balance relations between Brazil and Pinochet's Chile.

[Question] Latin American military nationalism has proven historically to be mistrustful of the United States. In Peru, this was evidenced in the First Phase, but was attenuated in the Second Phase. What would be the attitude of the mid-level military now towards that hemispheric power?

[Answer] Military nationalism advocates interdependence with the more developed capitalist countries. We must also take into account the fact that the armed forces of Latin America exist in a geopolitical space which, with exceptions that prove the rule, is within the United States' sphere of influence and control. This relationship has taken shape in "defense" pacts against regional and extra-continental enemies that might spring up. The Inter-American Treaty of Reciprocal Assistance and the hemispheric meetings of the armies illustrate the dependent-associated role of the Latin American armed forces with respect to the vital interests of the U.S. armed forces. Nevertheless, the "Pentagonism" theory of former Dominican President Juan Bosch, which paints a picture of a transnational arms corporation with a home company and subsidiaries, does not reflect the reality of recent decades. Otherwise, how could we explain what has happened to Peru, Nicaragua or Panama? How can we ignore the relative autonomy of the Argentine and Brazilian armies?

In the next decade the Latin American armed forces can be expected to foment greater autonomy, but within the system dominated by the United States.

[Question] Is the Soviet Union an alternative that favors autonomy, and on the other hand, is there some risk in that alternative?

[Answer] There is an explicit and obvious fear that we will have to resort to the Soviet Union to satisfy our defense and development needs. In this sense, to the extent that there is a certain degree of independence in the areas of economics, the military and politics, institutional relations would be maintained with the Soviet armed forces for obtaining military supplies and technology. This situation is enhanced by the fact that Latin America is not--and probably will not be for the next 10 years--an area where the conflicts among the sub-powers will go beyond ideology and economics and trade. Chile is now buying weapons with the support of the Peoples Republic of China; Peru has some Soviet equipment; and Argentina has initiated institutional relations with the Soviet army.

[Question] There is also the possibility of obtaining supplies from countries within the region. For example, Brazil is a major exporter of weapons. How do you view military relations between Peru and Brazil in the coming decade?

[Answer] This is related to the relative autonomy of our respective armed forces. Chile, for example, has not signed the complementary protocol of the Non-Proliferation of Nuclear Weapons Agreement, and everyone knows about the dispute between the United States and the Federal Republic of Germany regarding the latter's pact with Brazil for the development of the Brazilian nuclear industry, which would complement its production capacity and exportation of war materiel. This gives Brazil a greater advantage--greater than Argentina's--and therefore greater potential for influence. Thus, despite its serious internal contradictions, it can be a sub-hemispheric power with a renewed desire to become a world power by the year 2000. How could the armed forces--since it is a military matter--not envision relations that would seek common ground with Brazil, which moreover is a guarantor of the Rio de Janeiro Protocol?

[Question] Has the Sandinist Revolution brought about a resurgence of the counterinsurgency ideology of the sixties in certain armies of the region? Isn't it true, however, that the guerrilla left was already catastrophically defeated in the last decade? Wouldn't this be the time to turn the problem over to the police? Or is there fear of the development of a competitive "police power"?

[Answer] Although the so-called subversive policies and strategies of the left--a redundant term since the armed forces do not admit that there could be rightist subversion--seem to have been counteracted this past decade, there are still plans for internal defense. Of course the revolutionary left of the continent can only gain more power, and therefore capacity to



govern, to the extent that they obey a doctrine, organizational program and plan of action, and if there is a significant break-down of U.S. control of the region. If there were a real risk that the revolutionary left would prevail in the eighties, the armed forces would be in a position to "contain" the right as well as the moderate left. It would not be necessary to increase "police power" to such a degree that the police would become militarized or would compete with military power.

[Question] Portuguese Major Melo Antunes, moderate leader of the "Carnation Revolution," said in 1976 that for most military personnel, professional politicians form "a hostile universe of subtle and slippery intentions," and that they seem to know nothing of "the ethical aspect of politics." Has the Peruvian military's perception of this phenomenon changed?

[Answer] The experience of the sixties cultivated a "natural" mistrust of civilian political forces that still persists, particularly when they sponsor obviously partisan projects; in other words, if what they propose has no significant relation to what the armed forces think of as the National Project. Thus, there is still a tendency to underestimate the civilian forces in a sort of tacit, ethical-political dualism. Under this plan, the military would be the good guys and everyone else would follow their guidance. The experience of the last decade has shown that there is more military distrust as the civilian forces appear to increase their capacity to mobilize the lower strata of the population. This must also be regarded from the point of view of a possible external conflict, in which, according to the armed forces, there is more reason for distrust and therefore to control the popular forces. This risk usually leads to an obsession with controlling "the domestic front."

[Question] The Pinochet coup is a frequent phantom that appears in analyses of the behavior of the Latin American armed forces. What does the Peruvian military think of this type of regime?

[Answer] Those who advocate a government like Pinochet's are some civilians who are in positions of privilege and power. That extremist dictatorial regime is nothing but a fascist regime which could only appear in an underdeveloped, dependent capitalist country. His economic model responds more to group interests than to the national interest, which is why the masses cannot attain a decent standard of living but must be subject to a veritable guardianship. The kind of institutional military intervention by the Peruvian armed forces in the civilian government could not take that form. Anyway, the next decade will see the development of the National Defense system with all its mechanisms, exhibiting a greater degree of total participation by the armed forces and the police in national life.

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## TRINIDAD AND TOBAGO

### BRIEFS

**EUROPEAN LOAN TO TRINIDAD**—The European Investment Bank today announced a 7.1-million dollar loan to Trinidad and Tobago. The funds made available by the bank will be for 12 years at 7.4 percent interest rate. The loan will go towards helping finance small and medium scale industrial and tourism ventures in Trinidad. The European Investment Bank is the long-term financial arm of the European Economic Community. [Excerpt] [FL111754 Kingston Domestic Service in English 1730 GMT 11 Feb 80 FL]

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## MEAT EXPORTS REGISTER INCREASE, REGULATION CHANGE

Export Figures for 1979

Montevideo EL PAIS in Spanish 19 Jan 80 p 10

[Text] In 1979 Brazil turned itself into the chief buyer of Uruguayan beef, according to a report published yesterday by the National Meat Institute (INAC).

That neighbor bought 34,470,415 kg of meat, broken down into 20,771,607 kg of beef quarters and halves and refrigerated products and 13,698,808 kg of boneless cuts, beef quarters and halves and frozen products.

Of the total 63,003,362 kg exported by our country, Spain occupied second place with purchases of 4,534,827 kg, followed by the FRG with 3,816,250 kg.

### Other Buyers

According to the official report, the extended list of meat importers was filled out with: Egypt, which bought 3,566,827 kg; Israel, 3,362,701; Greece, 3,097,504; Portugal, 1,789,572; the Netherlands, 1,663,341; the United States, 1,547,198 (fully processed); and Ghana, 1,428,408.

Other lesser buyers were: Italy, France, Belgium, Chile, Kuwait, the United Kingdom, Venezuela, Japan, Switzerland, Ivory Coast, Canada, Puerto Rico, Jamaica, Barbados, Saudi Arabia and Hong Kong.

### Breakdown by Categories

The extensive report, published as INAC Bulletin No 51, specifies that 20,781,574 kg of refrigerated meat were exported, the bulk of which, or 19,619,205 kg, in the form of beef quarters and halves, 1,152,402 kg in unboned products and 9,967 kg in boneless cuts.

Frozen beef exported totaled 40,204,808 kg, including 15,799,998 kg of boneless cuts, 16,505,760 kg of beef quarters and halves, 5,020,176 kg of boneless and 2,878,874 kg of unboned products.

The amount of meat fully processed came to 2,016,980 kg, the United States being the biggest buyer of this category.

#### **Mutton Exports**

Cuts of frozen mutton which were exported weighed 1,299,459 kg and were bought by three countries.

The FRG was the chief importer with 1,209,617 kg and Kuwait and Saudi Arabia accounted for the remainder.

#### **Horsemeat, Poultry and Rabbits**

Our country also exported 962,406 kg of frozen horsemeat, most of which was purchased by the Netherlands; Belgium and the United Kingdom purchased smaller amounts: 11,279 and 6,132 kg, respectively.

Aside from beef, poultry was the biggest meat export item, amounting to 2,893,568 kg in 1979.

Argentina was the chief importer of refrigerated and frozen poultry with purchases totaling 1,057,568 kg.

The other foreign purchasers were Egypt, Chile and Venezuela.

Argentina also imported 2,009 kg of frozen rabbit.

#### **Export Agreement With Brazil**

Montevideo EL PAIS in Spanish 18 Jan 80 p 12

[Excerpt] Contract means launching of our meat market.

The 1980 meat export market will remain in full swing due to a big sale to Brazil of 20,000 tons of refrigerated meat at an initial price of \$1,500 a ton f.o.b. to be loaded at each of the sellers' meatpacking plants. When we consider the fact that producers have been trying to sell their fattened livestock for 6 months without closing a single export deal, [it is clear that] this successfully concluded agreement with Brazil, following 2 months of intensive negotiations, will alleviate the situation and raise the price of cattle on the hoof to a high of 5.80 pesos.

This information was given by the president of the Chamber of the Meatpacking Industry, Antonio Soto Vasquez, who was interviewed by reporters, accompanied by Wellington Ponce de Leon and Washington Fernandes, member and manager, respectively, of that organization.

The 10 member meatpacking plants of the chamber have sold Brazil 20,000 tons of meat to be delivered within 5 months, starting in February. During each

of the subsequent months, 4,000 tons will be delivered. The initial price for the transaction will be \$1,500 a ton f.o.b., to be loaded at each meatpacking plant. This price is for the first 8,000 tons. Once this first shipment is completed, the price will be renegotiated with the Brazilian buyer, that is, with the president of the Rio Grande del Sur Cold Union, Mr Armito Pereyra Dos Santos, who represents the Brazilian industry.

"The price agreed on," Mr Soto Vasquez noted, "is for the first 8,000 tons. This will be refrigerated, 'not dressed' meat which the Brazilian refrigerator trucks will pick up at the Uruguayan plants, as a result of which we may estimate that the price will on the average be increased by several hundred dollars a ton."

This lot will be composed of balanced quarters, five-rib forequarters, with the rump roast and flank and the famous "cerrote" cut or Brazilian pistol cut.

#### Great Importance of This Sale

Mr Soto Vasquez recalled that, after the Brazilian devaluation, it was very hard to sell Uruguayan meat. Therefore, this sale is of great importance. The meatpacking industry had to negotiate with its regular buyers for 2 months, finally giving them to understand that, when at any time [in the past] Brazil needed Uruguay's aid, Brazil got it. And now our country is deserving of the same treatment from Brazil. It recognized the fact and this was how it came to once again open the international meat market to Uruguay, which had been displaced by Argentina.

#### The "Wheels" Are Going to Be Set in Motion

In answer to another question on the significance of the operation in terms of the slaughtering of livestock, Mr Soto Vasquez said that "the wheels are going to be set in motion," which is what the meatpacking industry was hoping for, not only so that there would be work for the plants, but to bring a little encouragement to the ranchers who were left in a state of uncertainty in the face of the scarcity of transactions. The motion will begin with slaughtering operations in order to be able to export the first 4,000 tons of meat. This will require the slaughtering of from 20,000 to 22,000 steers a month, although the quota will be composed of 30 percent high-grade cows and 70 percent steers. On the other hand, we must bear in mind that the meatpacking industry is having ever greater success in supplying Montevideo with hygienically and sanitarilly processed meat.

With Israel, there are transactions that have been pending since last year. These amount to 700 tons. The mission that was here last Monday requested that the meat be shipped starting in May, a deadline the Uruguayan industry did not agree on. We proposed that slaughtering begin now and that the financial cost of keeping the meat in cold storage be charged to the account of the buyer. We are waiting for a reply.



Sales prices will, of course, be maintained. Two price levels are pending: a small amount of meat at \$1,850 and another, larger volume at \$2,350. These lots consist of boned forequarters. Starting in March, we also expect to ship cuts purchased by Greece, to receive orders from Italy and to continue to export mutton quarters to Germany.

On 21 January we will also have bids from Egypt and will see what happens with the purchase we have been "dickering over" with Peru.

#### Quantity Discrepancy

Montevideo EL PAIS in Spanish 21 Jan 80 p 10

[Excerpt] Mattos Moglia: "The sale to Brazil is reactivating operations."

"The price of livestock has reached its lowpoint and we must expect it to level off and then begin to rise," said Rural Association chairman Carlos Mattos Moglia. He added that prospects for cattle production now appear to be more positive with the resumption of export activities as a result of the deal concluded with Brazil. "A positive market will evolve," Mattos Moglia said.

Rural Association of Uruguay chairman Carlos Mattos Moglia yesterday told EL PAIS that the sale of 24,000 tons of meat to Brazil recently announced by the meatpacking industry is a positive transaction. The rural leader emphasized various favorable aspects: The amount contracted for is small and a fixed price has not been set on it, while the figure initially set (\$1,500 per ton of balanced quarters) can be considered to in line with the current international level.

#### Prohibition Repeal

Montevideo EL PAIS in Spanish 16 Jan 80 p 1

[Text] The government is probably reconsidering its decision to prohibit the financing of cattle market sales. This information came from reliable sources which indicate that a number of meetings are being held on this matter to discuss the features the new financing system will be provided with.

The step to prohibit financing of purchases at cattle auctions was taken by the government 5 months ago. At that time, the price of cattle was on the rise, leading government sources to argue that the system for financing sales was leading to uncontrolled speculation.

The agencies that unite the cattleraiser organizations then protested against this measure, as did rural businessmen and banks.

One informant told our reporters that new regulations are being drawn up on this point which will permit offers of financing at market auctions. He did not specify whether there would be a return to the old system or whether, on the contrary, restrictions might be retained.

Meanwhile, private sources informed EL PAIS that the price of cattle would continue to be frozen at an extremely low figure only slightly higher than 6 new pesos a kilogram for cattle on the hoof. At the end of the last post-slaughtering season, as much as 11 new pesos a kilogram were bid. However, a strengthening of the situation is expected by the end of this month and the beginning of February.

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## BRIEFS

**RECORD CITRUS FRUITS EXPORTED**—Our country reached a new record in citrus fruit exports in 1979 with transactions during that period totaling 1,796,143 crates as opposed to the 1,709,265 of the previous high recorded in 1977. Meanwhile, the immediate outlook allows us to predict a sizable increase in this kind of foreign sales, according to a statement made to EL PAIS yesterday by European buyer Herbert Scholdei, head of the firm of T. Port B.V. whose main office is in Rotterdam. Mr Jorge Saxel, coordinator for the Citrus Fruit Growers Association, an organization composed of citrus fruit growers from Paysandu, Salto, Rio Negro and the southern part of our country, also took part in the interview. This growers association has been working with the above-mentioned European firm which considers the commercial success of our citrus fruits abroad to be of real interest. Based on data collected from the official services, Mr Saxel reports that the total volume of 1,796,143 crates exported in 1979 is broken down as follows: lemons, 500,326 crates; oranges, 937,570; grapefruit, 208,298; tangerines, 45,943; malaguinas, 103,956. Regarding developments in the different categories, he said that he had noted an increase of 5 percent for lemons, a drop of 14 percent for oranges and a rise of 8 percent for grapefruit, while tangerines and malaguinas maintained stable levels in terms of relative share of exports. [Excerpt] [Montevideo EL DIA in Spanish 19 Jan 80 p 10] 11466

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